S6390-1

ANNUAL REPORT

of the

OHIO DEPARTMENT OF TAXATION

for the

Fiscal Year Ending June 30, 1982

Prepared by the
Research and Statistics Section
Ohio Department of Taxation

STATE OF OHIO
DEPARTMENT OF TAXATION
STATE OFFICE TOWER
P. O. BOX 530
COLUMBUS, OHIO 43216

March 21, 1983

Honorable Richard F. Celeste
Governor of Ohio
And Members of the
Ohio General Assembly

In compliance with Section 5703.42 of the Ohio Revised Code, it is my privilege to submit the 1982 Annual Report of the Ohio Department of Taxation.

This report contains descriptions and data for each of the state and local taxes administered by the Department and for the Energy Credit Program which the Department administers. In addition, sections have been included on real property taxes and on the local government funds. The text of the report pertains to laws in effect during fiscal year 1982 (July 1, 1981 through June 30, 1982) so that data and descriptions in the various sections are generally comparable. The sections summarizing recent legislation include bills enacted or effective during the fiscal year.

The assistance of personnel in the Department of Tax Equalization and the Board of Tax Appeals in preparing the sections on real estate taxes is gratefully acknowledged. We trust that the contents of this report will be of value and interest to the people of Ohio.

Respectfully submitted,

Joanne Limbach

Joanne Limbach
Tax Commissioner

OHIO DEPARTMENT OF TAXATION
(As of June 30, 1982)

Edgar L. Lindley
Tax Commissioner

Assistant Tax Commissioner
Norman W. Schmitt

Deputy Tax Commissioner
James O. Dayton

Administrative Secretaries
Sandra L. Edgar
Jeanette A. Levy

Administration

Budget & Fiscal Affairs . . . . . James O. Dayton
Computer Operations . . . . . Richard A. Yoakum
District Administrator . . . . . Fred H. Ahlborn
Information Systems . . . . . Dennis B. Winner
Legal . . . . . Donald S. Swepston
Personnel . . . . . S. V. Wilkins
Reproduction & Supply . . . . . Don K. Matson
Research & Statistics . . . . . Richard A. Levin
Security . . . . . Martin A. Winters

Sales & Excise Tax Division

Jurisdiction: Sales & Use Taxes, Highway Use and Motor Fuel Taxes, Severance Tax, and Excise Taxes on Cigarettes, Beverages, and Soft Drink Mixes

Administrator . . . . . Bernard E. Johnson
Assistant -- Technical Operations . . . . . Robert L. Henshaw
Assistant -- General Operations . . . . . K. Ray Taylor
Supervisors: Audit Review . . . . . David W. Boeder
Central Audit . . . . . Charles W. Dozer
Excise and Audit Entry . . . . . Richard O. Beckner
Highway Use & Motor Fuel . . . . . Francis E. Healy
Sales . . . . . Lowell S. Rice

Estate Tax Division

Administrator . . . . . Joan E. Zuber
Administrative Assistant -- Legal . . . . . Dennis A. Valot
Administrative Assistant -- Operations . . . . . Joe Veffer
Inheritance Tax Supervisor . . . . . Mark R. Friedman

Property Tax Division
Jurisdiction: Personal Property, Intangible Property, and Financial Institutions Taxes

Administrator . . . . . Wilbur J. Margeson
Corporate Compliance . . . . . Edwin C. Heinke, Jr.
Financial Institutions . . . . . Michael L. Sachs
Intangibles Tax . . . . . Jack W. Cook
Property Tax . . . . . Robert H. Dudgeon
Property Tax -- Audit Unit . . . . . Edward L. Gifford

Public Utility Tax Division
Jurisdiction: Public Utility Real and Personal Property, Public Utility Intangible Tax, and Public Utility Excise Tax

Administrator . . . . . James A. Witzel
Administrative Assistant . . . . . Keith H. Smith
Supervisors: Audit . . . . . Louis J. Spisak
Real Estate . . . . . Wallace E. Burkey

Income Tax Division
Jurisdiction: Individual Income Tax, Corporate Franchise Tax, and Energy Credit Program

Administrator . . . . . A. J. Catanzaro
Assistant -- General Operations . . . . . Thomas R. Nourse
Assistant -- Technical Operations . . . . . Stephen J. Nolan
Supervisors: Audit Review . . . . . Charles E. Ortlieb
Corporate Franchise Tax -- Audit . . . . . James J. Kamerick
Energy Credit Program . . . . . Rodger L. Whaley
Individual Income Tax -- Audit . . . . . Rodgers L. Way, Jr.
Taxpayer Services . . . . . James J. Baumann

INCUMBENTS IN THE OFFICE OF TAX COMMISSIONER, AND GOVERNORS SERVED, 1939 -- PRESENT

Tax Commissioner	Term	Served Under Governor	Term
William S. Evatt	6/06/39 - 12/31/44	John W. Bricker	1/09/39 - 1/08/45
C. Emory Glander	1/01/45 - 1/31/51	Frank J. Lausche	1/08/45 - 1/13/47
"	" "	Thomas J. Herbert	1/13/47 - 1/10/49
"	" "	Frank J. Lausche	1/10/49 - 1/03/57
John W. Peck	2/01/51 - 1/31/54	"	" "
Stanley J. Bowers	2/01/54 - 4/14/63	"	" "
"	" "	John W. Brown	1/03/57 - 1/14/57
"	" "	C. William O'Neill	1/14/57 - 1/12/59
"	" "	Michael V. DiSalle	1/12/59 - 1/14/63
Louis J. Schneider	4/15/63 - 12/29/64	James A. Rhodes	1/14/63 - 1/11/71
Gerald A. Donahue	1/04/65 - 3/13/66	"	" "
Gail W. Porterfield	3/13/66 - 1/10/71	"	" "
Robert J. Kosydar	1/11/71 - 1/13/75	John J. Gilligan	1/11/71 - 1/13/75
Gerald S. Collins	1/13/75 - 8/28/75	James A. Rhodes	1/13/75 - Present
Edgar L. Lindley	9/11/75 - Present	"	" "

NOTE: Governor's term was increased from two years to four years, effective January, 1959. Tax Commissioner serves at pleasure of Governor, effective September, 1963 (previously served four-year term).

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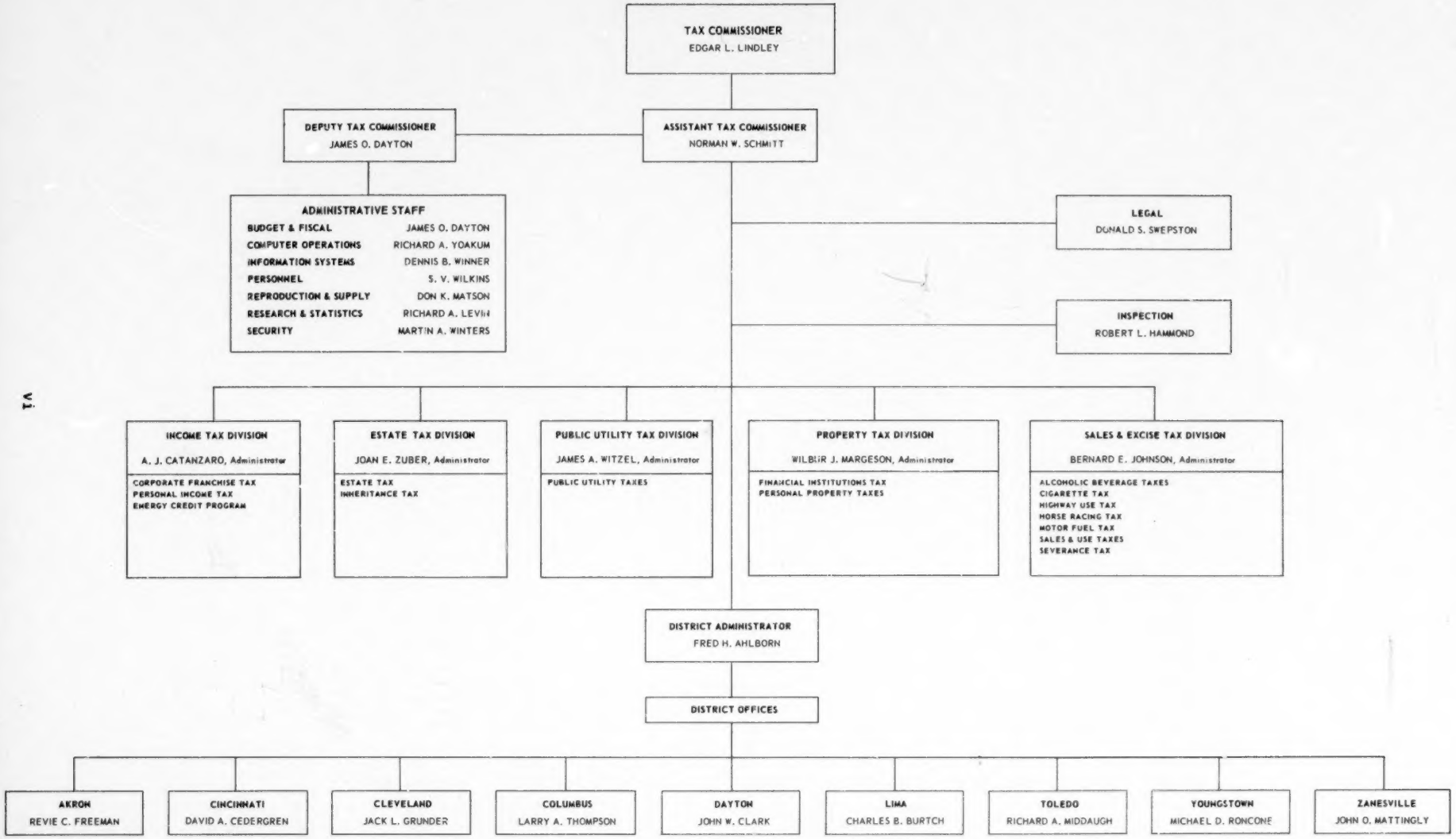
OHIO DEPARTMENT OF TAXATION
ORGANIZATION CHART
(As of June 30, 1982)



DISTRICT OFFICES OF THE OHIO DEPARTMENT OF TAXATION AND COUNTIES SERVED

● DISTRICT OFFICES

■ CENTRAL OFFICE

RESPONSIBILITIES AND ORGANIZATION

OF THE

OHIO DEPARTMENT OF TAXATION

The Ohio Revised Code (Section 5703.05) states that, "all powers, duties, and functions of the department of taxation are vested in and shall be performed by the tax commissioner . . ." The Tax Commissioner is appointed by the Governor, subject to confirmation by the Ohio Senate, and serves at the pleasure of the Governor. He is responsible for the administration of most state-collected taxes and several locally-collected taxes. In addition, the Tax Commissioner administers one non-tax program --the energy credits program. This program reduces the winter heating bills of qualified individuals.

The Commissioner is empowered to make "all tax assessments, valuations, findings, determinations, computations, and orders" which the Department is by law authorized and required to make, and to review, redetermine, or correct previous assessments, valuations, or findings. He also is charged with promulgating rules and regulations and preparing and distributing tax returns and other reporting forms. He is responsible for auditing returns, levying assessments and penalties, and granting or denying tax refunds. He may issue, revoke, or suspend certain licenses and permits. In two instances, the personal income tax and the horse racing tax, the statutes assign to him the actual collection of taxes with his other administrative duties. The Tax Commissioner is also required to maintain a continuous study of the practical operation of the taxation and revenue laws of the state, the probable revenue effect of possible changes in existing laws, and the possible enactment of measures providing for other forms of taxation.

To efficiently perform these numerous functions, the Tax Commissioner is authorized by law to create the divisions and sections of employees which he deems proper. The organization chart on page vi indicates this division structure as of June 30, 1982. In addition to an Assistant Tax Commissioner and a Deputy Tax Commissioner, the Tax Commissioner has created five operating divisions responsible for specific taxes or groupings of taxes (Sales and Excise, Property, Public Utility, Income, and Estate), seven administrative staff sections (Budget and Fiscal, Computer Operations, Information Systems, Personnel, Reproduction and Supply, Research and Statistics, and Security), a Legal Section, and nine District Offices located in major cities throughout Ohio with a District Administrator in the central office in Columbus. A map indicating the locations of the district offices and the counties which they serve is shown on page viii.

At the close of fiscal year 1982, there were 1,210 permanent employees in the central office and nine district offices. Expenditures of $32.8 million were made during the fiscal year to fulfill the various functions and responsibilities of the Department. Further detail for numbers of employees and expenditures is shown in Tables 1 and 2.

Table 3 shows data from applications for tax exemptions for pollution control and energy conservation facilities. Qualified facilities include: (1) air and noise pollution control facilities; (2) energy conservation facilities; (3) thermal efficiency improvement facilities; and (4) solid waste energy conversion facilities. A certificate must be issued for these facilities in order to qualify for a general tax exemption. The certification procedures for all of these facilities are administered by the Tax Commissioner. There is a similar program for water pollution control facilities, but that program is administered by the Ohio Environmenal Protection Agency.

Applications for certificates are filed by businesses with the Department of Taxation. If the Tax Commissioner, after obtaining the opinion of the Director of Environmental Protection or Director of the Department of Energy, finds that the facility meets the statutory requirements, a certificate is issued for the facility. If the facility does not meet the qualifications, the certificate is not granted. Sometimes only a portion of a facility qualifies and a certificate is issued for only that portion of the facility. Table 3 summarizes the activities of the Department regarding the certificate program for fiscal year 1982. The table shows the number of applications acted upon during the fiscal year and gives a breakdown of the applications based on the action taken by the Tax Commissioner. Also shown is the value of facilities for which certificates were sought and the value of the facilities for

OHIO DEPARTMENT OF TAXATION STAFF STRUCTURE
AND NUMBER OF EMPLOYEES, FISCAL YEAR 1982

Unit Of Organization	Number of Employees June 30, 1982	
Administrative Division		
Tax Commissioner	7	
Legal	23	
Budget Management	2	
Personnel	6	
Research & Statistics	9	
Information Systems	6	
Reproduction & Supply	15	
Division Total		68
Data Processing Division		176
Property Tax Division		
Audit Director's Office	10	
Compliance & Valuation	12	
Personal Property Tax	15	
Financial Institutions	5	
Audit Review	14	
Division Total		56
Sales And Excise Tax Division		
Audit Director's Office	5	
Sales and Excise		
Central Audit	41	
Audit Review	8	
Sales & Excise	104	
Highway Use	37	
Motor Vehicle Fuel	10	
Cigarette Law Enforcement	11	
Division Total		216
District Offices		
Akron	47	
Cincinnati	66	
Cleveland	74	
Columbus	42	
Dayton	44	
Lima	23	
Toledo	30	
Youngstown	44	
Zanesville	18	
Division Total		388

Unit Of Organization	Number Of Employees June 30, 1982	
Income Tax Division		
Administrator's Office	6	
Corporate Franchise and Personal Income Tax Central Office Audit Staff	91	
Income Tax Processing	35	
Accounting & Cashier	14	
Security	13	
Support Services	27	
Taxpayer Services	39	
File & Mail Unit	26	
Energy Credits	20	
Division Total		271
Estate Tax Division		26
Public Utilities Division		9
Total Permanent Employees in Pay Status		1,210
Temporary Employees In Pay Status	64	
Total Employees (Permanent & Temporary)		1,274

Table 2

EXPENDITURES OF THE DEPARTMENT OF TAXATION,
FISCAL YEAR 1982

Unit of Organization	Personal Service	Maintenance And Equipment	Total
Administrative Division	$ 1,659,647	$ 860,582	$ 2,520,229
Data Processing Division	2,619,866	1,769,580	4,389,446
Property Tax Division	1,097,828	101,336	1,199,164
Sales & Use Tax Division	6,056,288	1,167,344	7,223,632
District Offices	6,554,524	962,792	7,517,316
Income Tax Division	5,594,606	3,483,522	9,078,128
Estate Tax Division	548,702	97,900	646,602
Public Utilities Division	239,387	24,411	263,798
Total	$24,370,848	$8,467,467	$32,838,315

which certificates were approved. As long as the certificates are in force, the value of the certified facility is exempt from real and personal property taxes and is excluded from computation of the corporate franchise tax. In addition, material used to construct a certified facility is exempt from all sales and use taxes.

Table 4 shows the total audit production for the Sales, Income, Property, and Estate Tax Divisions. Note that these figures generally exceed those shown in the assessments tables (tables 5 through 7), primarily because the production totals include revenue from corrected returns and other activities which are not included in the actual assessments. Total audit production in fiscal year 1982 for the three major divisions of the Department increased by 21% over fiscal year 1981. This compares to a 38% increase in fiscal year 1981. Audit production for the Sales Tax Division increased by $6.6 million (5.4%) -- compared to a 30.0% increase the previous year. Audit production in the Income Tax Division increased by $21.8 million (40.2%) while the Property Tax Division increased by $20.5 million (36.9%).

Tables 5 through 7 indicate amounts for assessments made by the Property, Sales, and Income Tax Divisions of the Department. Personal property tax assessments shown in Table 5 for tangible and intangible taxes totaled $73.0 million for calendar year 1981. Table 6 indicates that sales and excise tax assessments were $114.9 million in fiscal year 1982, with about $112.8 million of that amount from the sales and use tax alone.

Table 7 shows assessments levied by the Income Tax Division for both the corporate franchise and personal income taxes. Corporate franchise assessments are levied against corporations that: (1) do not file the required annual return; (2) file an incorrect return; or (3) fail to remit the full amount of the tax due. In fiscal year 1982, 2,966 corporate franchise assessments were levied amounting to $23.8 million in additional taxes, penalties, and interest due from corporations. These assessments must be paid within thirty days after the corporation receives the assessment notice. The assessments may be appealed by the taxpayers; however, the assessment must be paid in full before the appeal can be filed. Assessments issued after June 30, 1982 need not be paid before an appeal can be filed.

Personal income tax assessments are levied against individuals who either fail to file a tax return during the required time period or fail to pay the full amount of the tax legally due. Personal income tax assessments were levied against 51,750 taxpayers in fiscal year 1982 and amounted to about $10.6 million in additional taxes, penalties, and interest due from individual taxpayers. These assessments become due and payable within thirty days after they are received by the taxpayer. A taxpayer may appeal the assessment within thirty days after its receipt, but the assessment must be paid in full before the appeal can be filed. Assessments issued after June 30, 1982 need not be paid before an appeal can be filed.

Table 3

NUMBER OF POLLUTION CONTROL, CONVERSION FACILITY, AND THERMAL EFFICIENCY IMPROVEMENT FACILITY APPLICATIONS ACTED ON AND VALUE OF EXEMPTIONS GRANTED, FISCAL YEAR 1982

Type of Facility	Total Number of Applications	Action Taken on Application: Full Cost Exempt	Portion of Cost Exempt	None of Cost Exempt	Value of Exemptions Sought	Value of Exemptions Approved
Air Pollution	217	185	22	10	$344,832,643	$335,461,528
Noise Pollution	1	0	0	1	76,116	0
Energy Conversion	3	2	0	1	7,169,048	7,030,600
Solid Waste Conversion	2	2	0	0	643,422	643,422
Thermal Efficiency Improvement	12	12	0	0	2,044,552	2,044,552
Total	235	201	22	12	$354,765,781	$345,180,102

Table 4

TOTAL AUDIT PRODUCTION FOR SALES, INCOME, PROPERTY, AND ESTATE TAX DIVISIONS, FISCAL YEARS 1978 - 1982

Division	Audit Production FY 1978	FY 1979	FY 1980	FY 1981	FY 1982
Sales and Excise Taxes	$133,128,578	$139,404,450	$ 94,779,385	$123,204,890	$129,836,200
Income and Corporate Franchise Taxes	30,918,952	28,527,571	30,779,947	54,295,528	76,144,296
Property Tax	25,634,520	31,940,285	43,364,145	55,588,616	76,101,349
Estate Tax	N.A.	N.A.	N.A.	2,225,652	5,588,775
Total	$189,682,050	$199,872,306	$168,923,477	$235,314,686	$287,670,620

N.A. -- Not Available.

Table 5

PERSONAL PROPERTY TAX ASSESSMENTS
CALENDAR YEARS 1980 AND 1981

Tax	Amount of Assessments		Calendar Year 1981	
	Calendar Year 1980			
Tangible and Intangible Personal Property				
Single-county Corporations, Individuals, & Unincorporated Businesses	$23,867,619		$24,972,128	
Inter-county Corporations	28,217,913		37,029,190	
Total Personal Property		$52,085,532		$62,001,318
Financial Institutions (Intangibles only)		10,809,693		10,986,283
Total		$62,895,225		$72,987,601

Table 6

SALES AND EXCISE TAX ASSESSMENTS LEVIED
AND UNPAID ASSESSMENTS CERTIFIED FOR PAYMENT, FISCAL YEARS 1981 AND 1982(a)

Tax	Assessments Levied				Unpaid Assessments Certified For Collection(b)	
	Fiscal Year 1981		Fiscal Year 1982		Fiscal Year 1981	Fiscal Year 1982
	Amount	Number	Amount	Number		
Sales and Use	$94,194,514	30,527	$112,836,299	33,955	$39,596,697	$45,328,340
Motor Vehicle Fuel	382,190	31	390,784	13	N.A.	N.A.
Highway Use	1,414,846	511	1,183,867	418	703,663	381,174
Cigarette	90,595	13	274,061	26	122,639	31,270
Beer and Wine	86,168	87	164,554	72	13,267	27,533
Severance	270,809	27	99,450	34	29,346	49,051
Total	$96,439,122	31,196	$114,949,015	34,518	$40,465,612	$45,817,368

(a) Represents only assessments levied and not assessments collected.
(b) Data does not relate to current assessments shown in "Assessments Levied" column. It represents those assessments certified for collection after taxpayers have exhausted all avenues of appeal. Number of total assessments was 20,874 in Fiscal Year 1981 and 20,917 in Fiscal Year 1982.

N.A.— Not available.

Table 7

PERSONAL INCOME TAX AND CORPORATE FRANCHISE TAX ASSESSMENTS LEVIED,
FISCAL YEARS 1979 - 1982

Tax	Assessments Levied							
	Fiscal Year 1979		Fiscal Year 1980		Fiscal Year 1981		Fiscal Year 1982	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Corporate Franchise Tax	$16,860,317	1,551	$16,009,371	1,958	$22,031,465	2,199	$23,840,114	2,966
Personal Income Tax	4,447,327	23,845	5,326,276	26,330	7,848,427	30,494	10,633,479	51,750
Total	$21,307,644	25,396	$21,335,647	28,288	$29,879,892	32,693	$34,473,593	54,716

REVENUE FROM TAXES ADMINISTERED BY THE TAX COMMISSIONER

The Tax Commissioner is responsible for administering state and local taxes which yielded about $6.8 billion in fiscal year 1982. The state's 1982 fiscal year was the period from July 1, 1981 through June 30, 1982. A breakdown of the collections from these taxes is shown in Table 8 for both state-collected and locally-collected taxes. It should be noted, however, that taxes imposed by one level of government may be collected by another, and that taxes collected by one level of government may be shared with another. Therefore, the tax collection figures attributed to state or local governments in the table do not necessarily indicate amounts available for expenditure by the two governmental levels.

Figures for both gross and net tax collections from state-collected taxes are shown in Table 8. Gross collections are equal to total taxes collected, including taxes which were later refunded. Net tax collections are equal to gross collections less all refunds. The source for the state-collected taxes is the Office of Budget and Management for both gross and net collections. These figures will differ from data shown elsewhere in this report which generally represent taxes administered as shown on returns filed during the fiscal year rather than collections during the fiscal year.

The state-collected taxes administered by the Tax Commissioner yielded net tax collections of $5,430.6 million during the fiscal year. This was an increase of 11.9% over the previous year. Collections from locally-collected taxes were $1,408.9 million in calendar year 1981, which was an increase of 8.7% from 1980. A major factor in the increase in state-collected taxes was a series of tax increases enacted in November, 1981.

The largest single revenue source of the taxes administered by the Tax Commissioner was again the sales tax. Fiscal year 1982 net sales tax collections were $1,819.4 million -- an increase of 10.8% over 1981. However, much of this increase was derived from an increase in the sales tax rate from 4% to 5% enacted in November, 1981. Although the tax on all sales except automobiles increased by 12.4%, the tax on automobile sales increased by only 2.6%.

The personal income tax continued as the second largest source of revenue -- with an increase of 9.6% from the previous year. The major factor behind this year's growth was the increase in personal income in Ohio which was up 8.5% over the previous year. It is expected that personal income tax collections will increase more rapidly than personal income since the progressive rates of the tax should cause the percentage increase in tax liability to exceed the percentage increase in income.

Corporate franchise tax collections increased by 14.7% in fiscal year 1982. This increase was caused by an increase in the corporate franchise tax rates and an expansion of the franchise tax base which were both enacted in November, 1981. The basic franchise tax rates were increased by approximately 10% and financial institutions were added to the tax base at the same time. Without these changes, corporate franchise tax collections for fiscal year 1982 would have fallen by a substantial amount. Due to the nature of the Ohio economy, it is likely that Ohio corporate profits fell at a greater rate than the 4.2% decline for U.S. corporate profits.

Revenues from the motor fuel tax increased dramatically in fiscal year 1982 -- 40.8%. This was due to a 3.3¢ per gallon increase in the rate in July, 1981 and another 1.4¢ increase in the rate in March, 1982. The rate in effect as of March 1, 1982 was 11.7¢ compared to 7.0¢ in June, 1981.

Revenues from the public utility excise tax increased by 6.4% in fiscal year 1982 -- even though the tax rate for 1982 was about 0.5% lower than in 1981. A 1% temporary increase was enacted for 1981 but the increase was reduced to 0.5% for 1982.

Collections from the cigarette excise tax fell by 5.3% in fiscal year 1982. The primary reason for this decrease was a 1¢ per pack decrease in the tax rate which was enacted in November, 1981 at the same time that cigarettes were made subject to the sales tax. Alcoholic beverage revenues fell by over 29%; however, virtually all of this decrease was caused by a reduction in the alcoholic beverage tax rates after a temporary rate increase in fiscal year 1981. The horse racing tax increased by 5.4% in fiscal year 1982 -- primarily as a result of an additional 2.5% tax on "exotic" wagering. Severance tax collections declined 3.3% in fiscal year 1982.

Table 8

COLLECTIONS FOR TAXES ADMINISTERED BY OHIO TAX COMMISSIONER[a]

State-Collected Taxes, Fiscal Years 1981 and 1982

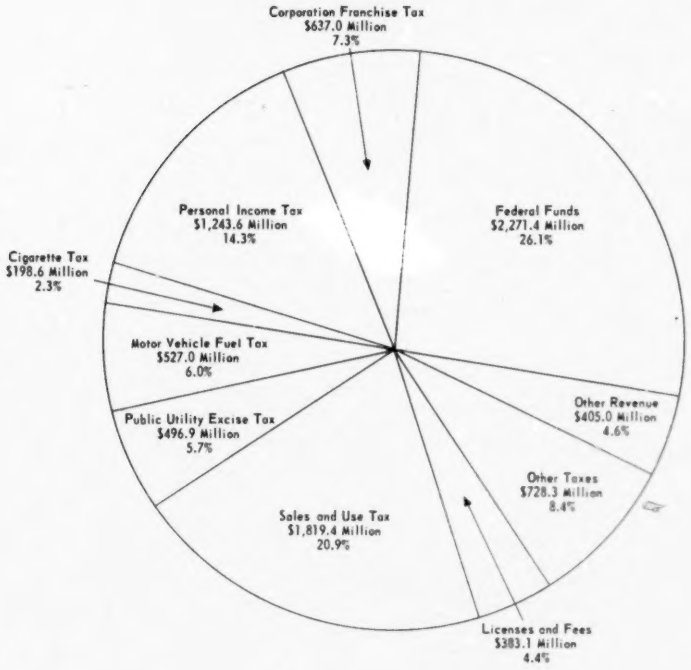
Tax	Gross Tax Collections 1981	Gross Tax Collections 1982	Net Tax Collections[b] 1981	Net Tax Collections[b] 1982	Percent Change
State Sales and Use	$1,649,604,049	$1,825,576,119	$1,642,437,931	$1,819,380,710	+10.77%
Local Sales and Use	185,653,150	217,080,264	185,653,150	217,080,264	+16.93
Personal Income	1,245,555,398	1,362,082,353	1,134,381,126	1,243,618,433	+ 9.63
Corporation Franchise	583,874,100	670,041,557	555,336,956	637,011,388	+14.71
Motor Vehicle Fuel	382,929,985	538,593,051	374,187,218	527,012,475	+40.84
Public Utility Excise	467,319,708	497,348,597	466,935,528	496,881,359	+ 6.41
Cigarette Excise	211,123,078	199,960,527	209,796,126	198,604,450	- 5.33
Intangible Personal Property (state-collected)[c]	147,789,674	159,041,960	147,737,048	158,885,887	+ 7.55
Highway Use	46,377,396	46,105,550	46,228,511	45,966,746	- .57
Alcoholic Beverage Excise	67,290,516	44,597,405	61,287,837	43,349,681	-29.27
Horse Racing	24,820,598	26,170,439	24,820,598	26,170,439	+ 5.44
Soft Drink Mix	0	12,651,563	0	12,651,563	--
Severance	4,207,446	4,032,557	4,168,203	4,029,420	- 3.33
Total State-Collected Taxes	$5,316,545,098	$5,603,786,942	$4,852,970,232	$5,430,642,815	+11.90%

Locally-Collected Taxes, Calendar Years 1980 and 1981

	Taxes Assessed 1980	Taxes Assessed 1981	Percent Change
Tangible Personal Property Taxes[d]	$ 688,543,040	$ 737,406,049	+ 7.10%
Intangible Personal Property Taxes (Locally-Collected)[e]	99,701,600	110,886,795	+11.22
Public Utility Property Taxes[f]	411,321,240	448,494,431	+ 9.04
Estate Tax[g]	96,610,569	112,071,178	+16.00
Total Locally-Collected Taxes	$1,296,176,449	$1,408,858,453	+ 8.69%

(a) SOURCES: For state-collected taxes, Ohio Office of Budget and Management. For locally-collected taxes, Ohio Department of Tax Equalization and Ohio Department of Taxation.
(b) Gross tax collections less refunds.
(c) Taxes paid by financial institutions, dealers in intangibles, public utilities and intercounty corporations.
(d) Estimated 90% of all taxes levied on tangible personal property.
(e) Estimated 95% of all locally-collected taxes on intangibles.
(f) Estimated using average county tax rates.
(g) Fiscal years 1981 and 1982, respectively.

FIGURE 1
ALL REVENUE RECEIPTS OF THE STATE OF OHIO
FISCAL YEAR 1982
$8,710.3 million



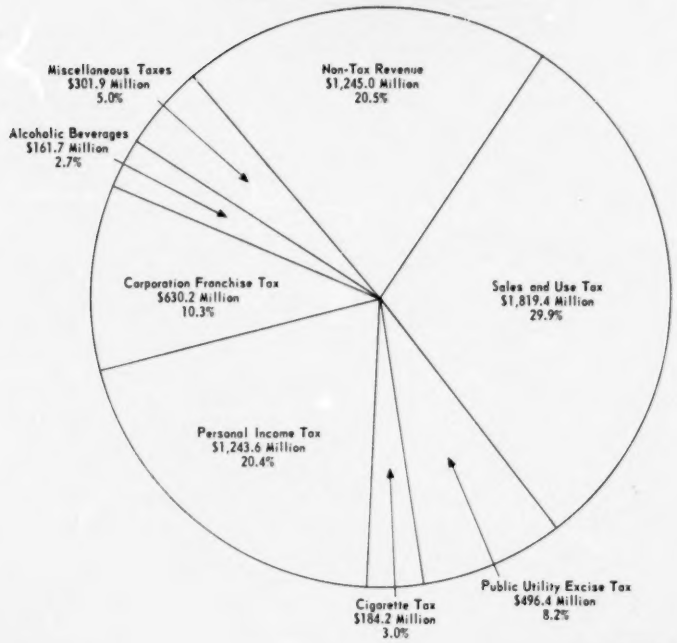
SOURCE: Ohio Office of Budget and Management.

Total revenue receipts for the state of Ohio in fiscal year 1982 were $8,710.3 million -- an increase of 7.0% over the $8,137.6 million in fiscal year 1981. These figures include only revenue available for expenditure on state programs -- tax refunds and other types of non-revenue collections are not included. The pie chart above shows the amount of revenue attributed to each of the state's major revenue sources. The largest source of state revenue was federal funds, while the sales tax was again the largest source of tax revenue and the second-largest source of revenue overall. Nearly one-half of the state's revenue was derived from these two sources. Collections from taxes under the jurisdiction of the Tax Commissioner accounted for $5,479.7 million which was 62.9% of total state revenue. All tax revenue (including taxes and fees not administered by the Tax Commissioner) amounted to $6,033.9 million.

Revenue receipts for Ohio for the last five years are shown in the table below.

Fiscal Year	Revenue Receipts
1978	$6,114.2 million
1979	6,790.7 million
1980	7,194.8 million
1981	8,137.6 million
1982	8,710.3 million

FIGURE 2
GENERAL REVENUE FUND SOURCES
FISCAL YEAR 1982
TOTAL: $6,082.9 million



Revenue Source		FY 1982 Collections
Sales and Use Tax		**$1,819,380,760**
Personal Income Tax		**1,243,618,433**
Corporation Franchise Tax		**630,226,987**
Public Utility Excise Tax		**496,881,359**
Cigarette Tax		**184,215,289**
Alcoholic Beverages Taxes		
Alcoholic Beverage Excise Tax	$ 43,238,681	
Liquor Gallonage Tax	30,443,171	
Liquor Profits	88,000,000	
Total		**$ 161,681,852**
Micellaneous Taxes		
Estate Tax	$ 49,056,912	
Foreign Insurance Tax	121,742,941	
Intangible Personal Property Tax	13,887,495	
Horse Racing Tax	19,774,599	
Domestic Insurance Tax	34,427,186	
Soft Drink Mix Tax	12,651,563	
Other Taxes	50,386,274	
Total		**$ 301,926,970**
Non-Tax Revenue		
Earnings on Investments	$ 74,706,296	
Federal Aid	995,750,169	
Lottery	150,491,982	
Miscellaneous	24,032,091	
Total		**$1,244,980,538**
GRAND TOTAL		**$6,082,912,188**

NOTE: All amounts are after refunds.

SOURCE: Ohio Office of Budget and Management.

SALES AND USE TAX

The Ohio sales and use tax was enacted in 1935 but did not become effective until early 1936. From that time on, the sales and use tax has been the major source of state revenues every year. The sales tax rate was 3% until 1967 when a 4% rate was adopted. After imposing a temporary 5% sales tax during the period of January through June 1981, a permanent 5% rate was adopted in November 1981. The sales tax was extended to several services, to cigarettes, and to casual sales of boats, outboard motors, snowmobiles and all-purpose vehicles during 1981.

The Ohio General Assembly also made major changes in the tax on motor vehicles sales. First, vehicles sold by licensed dealers were taxed on the net selling price less the value of a motor vehicle traded in. This provision originally applied to both new and used motor vehicles; however, the allowance for used vehicles was discontinued in March 1982. The second major change concerns the taxation of casual sales and gift transfers of motor vehicles. Rather than applying the sales tax to the selling price stated on the return when the vehicle title is transferred (in the case of gift transfers no sales tax was levied prior to this legislation), a retail "book" value from the National Auto Dealers Association Used Car Guide was the price on which the sales tax was applied unless the stated selling price was higher. However, this provision was repealed in November 1981. These and other major legislative changes in the sales tax are outlined in the **"Recent Legislation"** section.

In 1967, the Ohio General Assembly authorized any county to levy a tax of 0.5% in addition to the state sales and use tax for the purpose of providing additional county general revenue. The tax is levied pursuant to a resolution of the county commissioners and is subject to repeal by majority vote upon the filing of a petition for referendum. Lake County was the first to levy a permissive tax and it became effective July 1, 1969. In January 1982, counties were given the option of levying a 1% permissive tax. As of June 30, 1982, five counties levy a 1% rate, and fifty-one counties levy a 0.5% permissive sales tax. The state collects the combined state and local tax and returns the local share directly to the counties. In fiscal year 1982, the state returned $126.8 million to county governments. The same exemptions and exceptions, credits, and payment dates apply to the county tax as to the state tax.

In 1974, the Ohio General Assembly authorized regional transit authorities to levy a tax to be collected in addition to the state sales and use tax and county permissive tax for the purpose of providing revenues for the use of such transit authorities. The tax is levied pursuant to a resolution of the transit authority and subsequent approval by a majority of the voters at a special or general election. The tax can be levied at a rate of 0.5%, 1%, or 1.5%. Effective October 1, 1975, Cuyahoga County began imposing the tax at a 1% rate. As of June 30, 1981, two additional transit authorities levy a 0.5% permissive sales tax. The same exemptions and exceptions, credits, and payment dates apply to the regional transit authority tax as to the state tax.

TAX BASE (R.C. 5739.01, 5741.01):

The sales and use tax applies to all retail sales that are not specifically exempt. Retail sales include the transfer of tangible personal property, the rental of tangible personal property and hotel rooms by transient guests and specific services. The use tax applies to tangible personal property purchased or rented outside of Ohio for use, storage, or consumption in Ohio and the provision of specific services in Ohio. The county and transit authority use tax applies to purchases made outside of the state and to purchases made from vendors located in an area which does not have the permissive sales and use tax when the property or service is used in an area that levies a permissive sales and use tax.

RATES (R.C. 5739.02, 5739.021, 5739.023, 5739.025, 5741.02, 5741.021, 5741.022):

	Sales and Use Tax Rate		
	Jul. 1 to Nov. 14, 1981	**Nov. 15 thru Nov. 24, 1981**	**Nov. 25, 1981 to Jun. 30, 1982**
State rate	4.0%	5.1%	5.0%
Authorized combined state, county, and transit authority rates in effect	4.5% 5.0% 5.5%	5.6% 6.1% 6.6%	5.5% 6.0% 6.5%

A bracket system is specified in Section 5739.025 of the Revised Code for each combined state, county, and transit authority rate.

EXEMPTIONS AND EXCEPTIONS:

Exceptions (R.C. 5739.01) -- The following items are excluded from the definition of retail sale:

1. Copyrighted motion picture films unless solely used for advertising;
2. Service transactions in which tangible personal property is an inconsequential element for which no separate charge is made except for the following:
   Repair labor costs
   Installation labor costs
   Washing, cleaning, waxing, polishing, and painting of a motor vehicle
   Cleaning and supplying of industrial towels, linens, and work clothing;
3. The value of motor vehicles traded-in on new motor vehicles sold by licensed motor vehicle dealers;
4. Tangible personal property to be resold in the form received;
5. The refundable deposit paid on returnable beverage containers, cartons, and cases;
6. Tangible personal property used or consumed in commercial fishing;
7. Direct use exceptions --
   a) Material incorporated as a part of tangible personal property produced for sale by manufacturing, assembling, processing, or refining;
   b) Material used or consumed directly in the production of tangible personal property by manufacturing, processing, refining, mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas;
   c) Tangible personal property used directly in rendering a public utility service;
   d) Tangible personal property used or consumed directly in the transformation or conversion of raw coal into coke;
   e) Tangible personal property used or consumed in the preparation for sale of graphic material and of magazines distributed as controlled circulation publications;
   f) Tangible personal property used directly in making retail sales.
8. Tangible personal property used or consumed in the process of reclamation of strip-mined land;
9. The results of electronic data processing by one engaged in processing data of others;

Exemptions (R.C. 5709.25, 5709.50, 5739.02, 5741.02) -- The tax does not apply to the following sales:

1. Sales to U.S. Government agencies;
2. Sales to the state or any of its political subdivisions;
3. Food for human consumption off the premises where sold;
4. Food sold to students in a dormitory, cafeteria, fraternity, or sorority;
5. Food served without charge to employees as a part of their compensation;
6. Newspapers;
7. Magazine subscriptions sent by 2nd class mail or distributed as controlled circulation material;
8. Motor vehicle fuel subject to the state motor fuel tax;
9. Gas, water, steam, and electricity delivered through pipes, conduits, or wires;
10. Communication services by telephone and telegraph companies;
11. Casual sales except for motor vehicles and house trailers, watercraft, outboard motors, snowmobiles, and all purpose vehicles;

EXEMPTION AND EXCEPTIONS (cont'd):

12. Sales by churches and non-profit organizations (excluding motor vehicles and house trailers) on no more than six days each year or no more than one day in any calendar month;
13. Transportation of persons or property;
14. Sales to churches and nonprofit organizations operated exclusively for charitable purposes;
15. Building and construction material sold to contractors for incorporation into real property of the federal, state, or local governments, or of religious and charitable institutions;
16. Ships used in interstate or foreign commerce and material used for repair, alteration, or propelling vessels;
17. Material, machinery, equipment, and other items used in packaging property to be sold at retail;
18. Prescription drugs, insulin, testing and injection materials used by diabetics, oxygen and oxygen equipment for personal use, hospital beds for personal use, prosthetic and surgical devices, ostomy and orthotic devices, wheelchairs and wheelchair lifts;
19. Emergency and fire protection vehicles used exclusively by non-profit organizations in providing emergency and fire protection services for political subdivisions;
20. Sales to community centers and producers offering presentations in music, dramatics, the arts, and related fields to foster public interest and education;
21. Motor vehicles sold in Ohio to non-residents for use outside the state;
22. Property used in the preparation of eggs for sale;
23. Sales of handling and transportation equipment (except licensed motor vehicles) to persons engaged in manufacturing, processing, assembling, or refining when used in moving property in or between plants during the production process;
24. Sales of property for use in agricultural production;
25. Property manufactured in Ohio and immediately shipped outside the state for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer;
26. Sales to persons engaged in manufacturing, processing, assembling, or refining of property used directly in the production of property used or consumed in the production of a final product (use on use);
27. Sales of solar, wind, or hydrothermal energy systems that meet the guidelines adopted by the Director of the Ohio Department of Energy;
28. Sales to public broadcasting stations;
29. Sales of animals by nonprofit animal shelters and county humane societies;
30. Items used in preserving, preparing, or serving food, or material used in maintaining or cleaning these items in a food service operation;
31. Tangible personal property used in air, noise, or water pollution control facilities by holders of pollution control certificates;
32. Bulk water for residential use;
33. Tangible personal property incorporated into an energy conversion facility, solid waste energy conversion facility, or thermal efficiency improvement facility.

CREDITS*

For early and prompt payment, the following credits and discounts are allowed to vendors and sellers:

1. **Credits (R.C. 5739.08, 5739.12, 5741.06, 5741.12):**

   a) Early or advance payment of estimated tax liability by the 18th of the month covered by the tax return entitles the vendor to a 2% credit on such payment.

Example:	$200.00	Advance Payment
	+ 4.00	2% Credit
	$204.00	Total Advance Payment and Credit

CREDITS (cont'd):

If at the end of the month covered by the return the actual tax liability amounts to $250.00, the amount due is $46.00.

$250.00	Tax Liability
-204.00	Total Advance Payment and Credit
$ 46.00	Tax Due

b) Early or advance payment of estimated tax liability from the 19th through the last day of the month covered by the tax return entitles the vendor to a 1% credit on such payment.

Example:

$200.00	Advance Payment
+ 2.00	1% Credit
$202.00	Total Advance Payment and Credit

If at the end of the month covered by the return the actual tax liability amounts to $250.00, the amount due is $48.00.

$250.00	Tax Liability
-202.00	Total Advance Payment and Credit
$ 48.00	Tax Due

2. **Discount (R.C. 5739.12, 5741.12):**

Payment on or before the date a return is required to be filed entitles the vendor to a discount of 1% of the amount due after deduction of any credits.

Example

$ 46.00	Tax Due
- .46	1% Discount
$ 45.54	Net Tax Due

*Effective August 1, 1982, credits and discounts will be changed to a flat discount (see **Recent Legislation**, Am. Sub. H.B. 552).

TAXPAYER (R.C. 5739.01, 5739.031, 5741.01):

Although "vendor" is the common term used to designate those who make retail sales, the following specific terms are used to classify those who remit the tax:

1. Vendors: Persons, or retailers, by whom a taxable retail sale is made and who are located in Ohio.
2. Sellers: Persons, or retailers, by whom a taxable retail sale is made outside Ohio for storage, use, or consumption in Ohio.
3. Direct Payment Permit Holders: Manufacturers or other consumers who purchase tangible personal property for which the taxable status cannot be determined at the time of purchase. These consumers are authorized to make payments directly to the state rather than paying the tax to a vendor or seller.
4. Clerks of Court: Vehicle dealers remit taxes collected on sales of motor vehicles and house trailers to county Clerks of Court when a vehicle is titled. Clerks of Court also collect the tax on casual sales of boats and motors and the additional tax for the county where titled, if not collected by the dealer at time of sale. They in turn remit such payments to the state.
5. Ohio Department of Liquor Control: Collects and remits sales tax paid on alcoholic beverages sold in state liquor stores.
6. Consumers Use Tax Account Holders: Purchasers who have not paid the tax to a seller, in most cases for out-of-state transactions.

PAYMENT DATES (R.C. 5739.12, 5741.12, Rule 5703-9-10):

Type of Return	Taxpayer	Payment Date*
Weekly	Clerk of Court	Payment on Monday for tax collected during the preceding week.
Semi-monthly	Ohio Department of Liquor Control	By the 15th day of the month for the tax collected during the first 15 days of the previous month, and by the last day of the month for the tax collected from the 16th through the last day of the previous month.
Monthly	Vendors, Sellers	By the 20th day of the month following the reporting period.
Semi-annual	Vendors, Sellers	By the 20th day of the month following the close of each semi-annual period (determined by county of business location) for the tax liability of that six-month period. This method of payment may be authorized for vendors and sellers whose tax liability is less than $600 per six-month period.
Optional	Vendors, Sellers	By the 20th day of the month, payments of an amount determined by the Tax Commissioner to be the average monthly tax liability of vendors and sellers authorized to use this method of payment. A semi-annual return is filed by the 20th day of the month following the close of each semi-annual period (determined by county of business location) for the preceding six-month period along with any tax due. This method of payment is available upon application to the Tax Commissioner for any vendor or seller normally required to file monthly returns and eliminates the need to determine the actual tax liability each month.
Quarterly	Direct Pay Permit Holders	By the last day of January, April, July, and October for the preceding three-months' tax liability.
	Consumer Use Tax Accounts	By the 15th day of January, April, July, and October for the preceding three-months' tax liability.

*Effective August 1, 1982, payment dates on the 20th day of the month will change to the 23rd of the month (see **Recent Legislation**, Am. Sub. H.B. 552).

SPECIAL PROVISIONS:

Master Accounts (Rule 5703-9-09): Vendors who have two or more places of business in Ohio may, upon approval by the Tax Commissioner, file a single, monthly, consolidated return reporting a cumulative total of the information that normally is required to be reported from each location.

Prearranged Agreements (R.C. 5739.05): Vendors, such as fast food outlets, whose business is of such a nature that keeping records of which sales are taxable and which exempt would impose an unreasonable burden, may be authorized by the Tax Commissioner to pay an amount based on a test check conducted to determine the proportion of taxable sales to total sales. Businesses electing this method of payment still collect the tax from customers and pay by optional return.

Prepayment (R.C. 5739.05 and Rule 5703-9-08): Vendors, such as coin-operated vending machine operators, whose business is of such a nature that the collection of the tax from consumers would impose an unreasonable burden, may be authorized by the Tax Commissioner to prepay the tax at a rate based on an analysis of sales and prices.

SPECIAL PROVISIONS (cont'd):

Contruction Contractors (R.C. 5739.01): Construction contractors are considered to be the consumer of property incorporated into a structure or improvement and thus responsible for paying the tax on such property.

DISPOSITION OF REVENUE:

1. State Sales and Use Tax:

   a) Sales tax (R.C. 5739.21) -- All to the state General Revenue Fund with 3.5% of the amount subsequently transferred to the Local Government Fund. For the period November 15, 1981 through June 30, 1983, only 2.6% will be transferred to the Local Government Fund.
   b) Use tax (R.C. 5741.03) -- All to the state General Revenue Fund.

2. County Permissive Sales and Use Tax (R.C. 5739.021, 5739.41, 5741.021):

   a) 1% certified to the credit of the Local Sales Tax Administrative Special Account for the use of the Tax Commissioner in defraying costs of administration.
   b) Remainder to the county general revenue fund.

3. Transit Authority Sales and Use Tax (R.C. 306.31, 5739.023, 5739.21, 5741.022):

   a) 1% certified to the credit of the Local Sales Tax Administrative Special Account for the use of the Tax Commissioner in defraying costs of administration.
   b) Remainder to the general revenue of the transit authority for the following purposes: acquiring, constructing, operating, maintaining, replacing, improving, and extending transit facilities.

OHIO REVISED CODE CITATIONS:

Chapters 306, 5739, 5741.

RECENT LEGISLATION:

Am. Sub. H.B. 275, effective July 17, 1981 (Amendments effective August 1, 1981).

Revised Code 4505.06: Casual sales and gift transfers of motor vehicles are taxed on the retail book value, excluding specifically exempt transactions. (See also Am. Sub. H.B. 671 below.)

Revised Code 5739.01: The sales tax on new and used motor vehicles sold by licensed dealers is on the net sales price reduced by any motor vehicle trade-in value. (See also Am. Sub. H.B. 671 below.)

Revised Code 5739.02: Casual sales of watercraft, outboard motors, snowmobiles, and all purpose vehicles are subject to the sales tax.

Am. Sub. H.B. 373, effective January 29, 1982.

Revised Code 5739.021: Counties are authorized to levy a permissive sales tax at a rate of one percent or to increase their current one-half of one percent rate to a full one percent.

Am. H.B. 490, effective March 4, 1982.

Revised Code 5739.11: From the effective date of this act until December 31, 1983, vendors are authorized to keep only a sample (determined by the Tax Commissioner) of invoices, bills of of lading, and other documents pertaining to sales and the sales tax collected, rather than complete records and documents.

RECENT LEGISLATION (cont'd):

Am. Sub. H.B. 671, effective December 9, 1981.

Revised Code 4505.06: Repeals the provision of Am. Sub. H.B. 275 (see above) pertaining to the use of a retail book value as the base for levying the sales tax on casual sales and gift transfers of motor vehicles and allows a refund on the difference between the tax paid on the book value and the tax that would have been paid on the actual selling price.

Revised Code 5739.01 and Section 8: Provides for discontinuing the sales tax trade-in credit on used motor vehicles if sales tax receipts on motor vehicles fall below a certain level (the requirements of this section were met in March 1982 and the trade-in credit on used motor vehicles was discontinued).

Am. Sub. H.B. 694, effective November 15, 1981.

Revised Code 5739.01: The following services made subject to the sales tax:

1. Repair charges,
2. Installation charges,
3. Washing, waxing, polishing, and painting of motor vehicles,
4. Improvements to existing real property (see also Am. Sub. S.B. 530 below), and
5. Industrial laundry cleaning services.

Revised Code 5739.02:

1. Sales Tax rate increased to 5.1% (see also Am. Sub. H.B. 552 below);
2. Enacts sales tax exemptions on sales to non-profit animal shelters and to community music, drama, and art centers; and
3. Cigarettes made subject to the sales tax.

Revised Code 5739.17: Vendor license fees increased to $25 with an annual renewal fee of $10 (in place of prior one-time $1 fee).

Revised Code 5739.41: One percent of county permissive sales and use tax receipts is credited to the Local Sales Tax Administrative Special Account for the use of the Tax Commissioner to defray costs of administration.

SECTION 208: For the period November 15, 1981, through June 30, 1983, the amount of sales tax collections going to the state General Revenue Fund is increased from 96.5% to a percentage to assure that all of the new sales tax revenue from this act is credited to the state (calculated to be 97.4%).

Am. Sub. H.B. 552, effective November 25, 1981.

Revised Code 5739.01 and 5739.10: Sales tax rate reduced from 5.1% to 5.0% (5.1% rate was in effect only from November 15, 1981 through November 24, 1981).

Revised Code 5739.12: Advance pay credits of 2% and 1% and the 1% discount are replaced with a flat 1.5% discount on returns filed on or before the date due. The date due is changed from the 20th of the month following the period of collection to the 23rd of the month (this section will become effective August 1, 1982).

RECENT LEGISLATION (cont'd):

Am. Sub. S.B. 530, effective June 25, 1982.

Revised Code 5739.01:

1. Repeals the sales tax on improvements to existing real property (effective July 1, 1982).
2. Repeals the sales tax on coin-operated car washes (effective July 1, 1982).

Revised Code 5739.02: Provides a sales tax exemption on sales to producers of music, drama, and the arts.

Revised Code 5739.17: Provides for transient and limited vendors licenses for retailers without fixed locations to operate in various counties without obtaining a license from each of the counties involved.

RECENT SIGNIFICANT COURT DECISIONS:

FCF Co. f/k/a The Forest City Foundries Co. v. Lindley, Cuyahoga County Court of Appeals (8th District) Case No. 43240, July 9, 1981.

The Court, in overturning the Board's affirmance of the assessment, held that foundry patterns, which were sold by the taxpayer to its customers but retained by the taxpayer to produce castings for those customers, were not "resold" to the taxpayer by its customers per the General Motors "vendor tooling" doctrine, since there were no "requirement contracts" between the parties. Also, citing American Modulars Corp. v. Lindley (1978), 54 Ohio St. 2d 273, the Court found the Regional Transit Authority use tax to be unconstitutional.

General Motors Corp. v. Lindley (1981), 67 Ohio St. 2d 331, July 22, 1981.

Since the use tax is an excise tax on the privilege of use of property and not an ad valorem tax, the exclusion of "patterns, jigs, dies, or drawings" from the definition of "personal property" in section 5703.03 Revised Code does not operate to except the purchase of foundry patterns from outstate suppliers from the use tax.

Southwestern Portland Cement Co. v. Lindley (1981), 67 Ohio St. 2d 417, August 5, 1981.

The Court affirmed the assessment of sales and use tax on various portions of a cement clinker plant, finding that the machinery assessed was not used directly in manufacturing and that any installation labor that occurred was not separately stated in the contract or billing.

Evans Storage Co. v. Lindley, Board of Tax Appeals, Case No. 80-D-12, August 13, 1981.

A sales tax assessment, reversed by the Board as being barred by the statute of limitations, will not bar a subsequent use tax assessment on the same purchases, where the assessed consumer has not filed use tax returns.

The Canton Structural Steel Co. V. Lindley (1982), 69 Ohio St. 2d 33, January 13, 1982.

In order to establish that non-taxed sales were proper and to fulfill the requirements of section 5739.03 Revised Code, a vendor must maintain and make available exemption certificates upon which you relied to establish exemption.

Beatrice Foods Co., v. Lindley, (1982), 70 Ohio St. 2d 29, April 28, 1982.

Leased trucks and trailers, rented by an Ohio consumer from an outstate lessor, but stored and serviced in Ohio, are subject to Ohio use tax.

Table 9

SALES AND USE TAX COLLECTIONS BY TYPE OF PAYMENT
FISCAL YEARS 1978 - 1982[a]

Type Of Payment	1978	1979	1980	1981	1982
Vendors and Sellers					
Sales Tax	$ 966,629,374	$1,075,585,767	$1,138,602,369	$1,329,435,091	$1,510,080,969
Use Tax	51,053,945	55,147,981	57,139,665	67,731,307	75,940,527
Consumer Payments					
Direct Payment Sales Tax	45,463,435	50,836,529	59,650,084	66,199,807	76,153,775
Consumers Use Tax	21,139,347	25,468,209	31,470,632	34,592,599	38,615,815
Sales and Use Tax Assessments and Penalties	18,819,056	23,952,377	23,792,076	31,909,038	27,236,405
Attorney General Sales and Use Tax Collections	10,173,430	12,959,210	13,451,957	14,042,893	13,035,295
Liquor Sales by Department of Liquor Control	11,801,262	12,269,283	12,966,454	14,635,442	15,587,889
Tax on Casual Sales	- -	- -	- -	- -	1,841,350
Tax on Motor Vehicles and House Trailers	303,809,549	322,039,774	272,223,723	276,711,022	284,163,889
Total	$1,428,889,398	$1,578,259,130	$1,609,286,960	$1,835,257,199	$2,042,655,914
County Sales Tax[b]	- 87,097,936	- 97,595,919	- 107,219,757	- 115,644,394	- 130,170,915
Regional Transit Authority Sales Tax[b]	- 46,117,009	- 50,731,761	- 53,026,511	- 78,629,256	- 89,248,990
Net Total	$1,295,674,453	$1,429,931,450	$1,449,040,692	$1,640,983,549	$1,823,236,009

(a) Amounts given are after deduction of vendors discounts and poundage fees allowed county clerks of courts.
(b) Amounts given are from records of the Ohio Department of Taxation.

SOURCE: Ohio Treasurer of State, records of Ohio Department of Taxation.

Table 10

NUMBER OF ACCOUNTS BY TYPE AND PAYMENT SCHEDULE
AS OF JUNE 30, 1982

	PAYMENT SCHEDULE				
Accounts	Monthly	Optional	Semi-Annual	Quarterly	Total
Vendors	82,222	2,866	128,556	- -	213,644
Sellers Use	2,158	18	3,933	- -	6,109
Master Accounts[a]	1,239	110	130	- -	1,479
Consumers Use	- -	- -	- -	9,718	9,718
Direct Pay	- -	- -	- -	1,126	1,126
Total	85,619	2,994	132,619	10,844	232,076

(a) Represents 23,400 retail establishments authorized to file under Consolidated Master Accounts.

Table 11

COUNTY AND TRANSIT AUTHORITY PERMISSIVE TAX COLLECTIONS, FISCAL YEARS 1978 - 1982

County	Tax Rate 6/30/82	Amount of Tax 1978	1979	1980	1981	1982	Period Imposed Effective Date	Termination Date
Allen	0.5%	$1,959,314	$ 2,178,736	$ 2,180,152	$ 2,313,506	$ 2,217,184	May 1, 1970	-
Ashland	0.5	526,531	574,324	567,671	611,897	605,361	Mar. 1, 1971	-
Ashtabula	0.5	1,211,830	1,309,882	1,371,268	1,436,107	1,430,466	Apr. 1, 1977	-
Athens	0.5	-	-	-	-	201,814	Feb. 1, 1982	-
Auglaize	0.5	505,297	559,241	589,921	635,795	582,011	Nov. 1, 1973	-
Brown	0.5	-	-	249,494	348,298	285,124	Aug. 1, 1979	-
Clark	0.5	1,941,867	2,147,661	2,110,136	2,207,665	2,153,338	Nov. 1, 1972	-
Clermont	0.5	-	-	1,298,064	1,846,847	1,838,948	Aug. 1, 1979	-
Clinton	0.5	370,746	431,462	421,099	458,282	438,950	May 1, 1972	(a)
Coshocton	0.5	412,312	459,542	459,042	468,865	475,148	Jun. 1, 1971	-
Crawford	0.5	53,585	588,244	602,990	624,297	614,475	May 1, 1978	-
Cuyahoga	0.5	23,532,890	25,668,137	26,486,540	27,841,371	29,383,033	Sep. 1, 1969	-
Darke	0.5	627,354	684,024	672,920	678,421	637,685	Jul. 1, 1975	-
Delaware	0.5	533,198	603,684	629,641	673,501	660,694	Jan. 1, 1972	-
Erie	0.5	1,414,041	1,575,641	1,646,714	1,726,329	1,642,815	Mar. 1, 1977	-
Fairfield	0.5	-	-	-	-	819,790	Sep. 1, 1981	-
Fulton	0.5	452,777	495,134	472,224	508,402	495,877	May 1, 1972	-
Gallia	0.5	-	-	-	-	206,380	Dec. 1, 1981	-
Greene	0.5	1,231,379	1,373,008	1,392,319	1,470,576	1,535,035	Mar. 1, 1972	-
Guernsey	1.0	548,129	623,246	624,378	664,779	711,511	Feb. 1, 1971	-
Hamilton	0.5	15,187,122	17,110,191	18,116,453	19,394,800	19,431,404	Jun. 1, 1970	-
Hancock	-	-	301,321	752,123	4,888	1,718	Feb. 1, 1979	Dec.31, 1980
Henry	0.5	331,270	361,832	375,001	380,014	360,159	Mar. 1, 1972	-
Highland	0.5	-	28,384	361,709	386,422	367,536	May 1, 1979	-
Hocking	0.5	-	38,370	230,631	239,076	244,830	Apr. 1, 1979	-
Holmes	0.5	239,708	324,895	332,733	352,240	360,572	Jul. 1, 1977	-
Huron	0.5	218,577	748,072	739,737	774,206	734,089	Feb. 1, 1978	-
Jackson	1.0	-	-	-	-	103,124	Apr. 1, 1982	-
Jefferson	0.5	1,096,894	1,319,406	1,338,985	1,325,465	1,332,853	Jun. 1, 1973	(b)
Knox	0.5	487,371	547,762	584,147	630,775	601,762	May 1, 1971	-
Lake	0.5	3,331,363	3,749,101	3,896,479	3,982,392	4,043,066	Jul. 1, 1969	-
Licking	0.5	1,471,269	1,607,920	1,670,810	1,754,228	1,796,459	Feb. 1, 1971	-
Logan	0.5	503,429	564,537	571,977	607,109	565,325	Jan. 1, 1974	-
Lucas	1.0	8,018,841	8,715,515	9,050,010	9,844,682	9,971,868	Feb. 1, 1971	-
Mahoning	0.5	-	-	571,084	3,754,787	4,796,456	Apr. 1, 1980	(c)
Medina	0.5	1,365,438	1,598,460	1,552,871	1,578,953	1,588,740	Apr. 1, 1971	-
Mercer	0.5	489,038	561,307	561,780	569,961	546,732	Nov. 1, 1971	-
Miami	0.5	1,110,258	1,213,629	1,269,997	1,369,752	1,318,984	Dec. 1, 1969	-
Montgomery	0.5	9,889,797	10,660,481	11,108,242	11,427,041	11,400,645	Jan. 1, 1971	-
Morgan	0.5	81,894	108,070	104,198	112,356	116,838	Feb. 1, 1972	(d)
Morrow	0.5	106,956	192,780	172,552	115,881	88,142	Jul. 1, 1971	(e)
Muskingum	1.0	1,103,437	1,263,215	1,232,264	1,340,497	1,749,415	May 1, 1971	-
Noble	0.5	92,675	100,527	104,054	107,289	109,431	Jan. 1, 1971	-
Ottawa	0.5	464,775	541,712	535,719	590,714	600,029	Oct. 1, 1973	-
Perry	1.0	209,057	234,249	232,449	234,113	262,369	Mar. 1, 1971	-
Preble	0.5	-	-	175,521	367,871	343,524	Nov. 1, 1979	-
Putman	0.5	306,287	340,909	339,138	348,575	323,581	Jan. 1, 1974	-
Richland	-	-	34,861	1,300,352	9,757	1,247,273	Jun. 1, 1979	(f)
Ross	0.5	-	-	311,765	990,780	979,384	Jan. 1, 1980	-
Sandusky	0.5	-	-	689,287	928,163	900,494	Aug. 1, 1979	-
Scioto	0.5	-	66,520	999,164	1,093,574	1,089,062	May 1, 1979	-
Shelby	0.5	507,921	551,081	548,466	584,281	520,165	Mar. 1, 1971	-
Summit	0.5	17,278	5,222	21,155	71,415	9,605,440	Mar. 1, 1973	(g)
Tuscarawas	-	494,137	2,726	1,375	512	-(28)	Apr. 1, 1971	(h)
Van Wert	0.5	383,668	411,763	412,190	437,645	390,146	Mar. 1, 1972	-
Warren	0.5	1,248,662	1,428,758	1,426,600	1,521,242	1,502,193	Jan. 1, 1972	(i)
Wayne	0.5	1,244,208	1,402,633	1,418,510	1,516,382	1,474,743	Mar. 1, 1971	-
Williams	0.5	211,828	495,945	517,027	526,521	505,274	Dec. 1, 1977	-
Wood	0.5	1,563,528	1,691,799	1,738,629	1,859,097	1,861,479	Jun. 1, 1971	-
County Total		$ 87,097,936	$ 97,595,919	$107,219,757	$115,648,394	$130,170,915		
Transit Authority								
Grtr. Cleveland	1.0%	$ 46,117,009	$ 50,731,761	$ 53,026,511	$ 55,285,857	$ 57,862,807	Oct. 1, 1975	-
Miami Valley	0.5	-	-	-	9,678,497	11,430,125	Jul. 1, 1980	-
Central Ohio	0.5	-	-	-	13,664,902	19,956,058	Sep. 1, 1980	-
Grand Total		$133,214,945	$148,327,680	$160,246,268	$194,277,650	$219,419,905		

(a) Repealed December 31, 1972, re-enacted April 1, 1977.
(b) Repealed December 31, 1974, re-enacted July 1, 1977.
(c) Repealed December 31, 1980, re-enacted April 1, 1981, repealed May 1, 1981, re-enacted June 1, 1981.
(d) Repealed February 28, 1973, re-enacted July 1, 1977.
(e) Repealed December 31, 1971, re-enacted November 1, 1977, repealed December 31, 1980, re-enacted December 1, 1981.
(f) Repealed December 31, 1979, re-enacted July 1, 1981, repealed December 31, 1981.
(g) Repealed December 31, 1973, re-enacted June 1, 1981.
(h) Repealed December 31, 1971, re-enacted August 1, 1977, repealed December 31, 1977.
(i) Repealed December 31, 1972, re-enacted August 1, 1973.

CIGARETTE TAX

An excise tax on cigarettes has been levied in Ohio since 1931. From an initial tax of two cents per pack, the rate was increased gradually over the years until it reached fifteen cents per pack in 1971. This rate remained in effect until November 15, 1981, when it was reduced to fourteen cents. As of that date, however, cigarettes became subject to the Ohio sales tax.

The excise tax on cigarettes is made up of two separate levies on each ten cigarettes or fractional part thereof: one levy of 6.5 cents and the other 0.5 cent -- a total of fourteen cents per pack of twenty cigarettes. The tax is paid primarily by wholesale dealers through the purchase of stamps or meter impressions (tax indicia) that are affixed to cigarette packs. The Ohio Tax Commissioner may authorize dealers to purchase the tax indicia on credit payable within thirty days. Over 80% of the tax stamps and meter impressions are purchased on a credit basis. Retailers, individuals, and other consumers are responsible for paying the tax on cigarettes not taxed at the wholesale dealer level.

The 6.5 cent levy is credited to the state general revenue fund while receipts from the one-half of one cent tax are earmarked for retirement of educational, recreational, and public building construction bonds. In fiscal year 1982, total receipts were just under $200 million.

TAX BASE:

The sales of cigarettes in Ohio (R.C. 5743.02, 5743.023).

The use, consumption, or storage for consumption of cigarettes in Ohio (R.C. 5743.32, 5743.322).

RATES:

Although the tax as enacted applies to each ten cigarettes, the rates below are in terms of packs of twenty cigarettes.

Ohio Revised Code Section	Tax Rate Per Pack	
	Jul 1, 1981-Nov 14, 1981	Nov 15, 1981-Jun 30, 1982
5743.02 (Sale) 5743.32 (Use)	14¢	13¢
5743.023 (Sale) 5743.322 (Use)	1¢	1¢
Total Rate Per Pack	15¢	14¢

EXEMPTION (R.C. 5743.05):

Cigarettes sold in interstate or foreign commerce or to United States appropriated fund activities.

TAXPAYER (R.C. 5743.01):

Wholesale Dealer	Those who purchase cigarettes directly from manufacturers, producers, and importers; and who then sell cigarettes to others (retailers) for the purpose of resale.
Retail Dealer	Includes everyone, other than a wholesale dealer, engaged in the sale of cigarettes. Retailer dealers must remit the tax on any cigarettes not previously taxed.

TAXPAYER (cont'd):

Persons	Individuals, companies, and other consumers who have cigarettes in their possession on which the excise tax has not been paid.

METHOD OF TAX PAYMENT:

Over 80% of the cigarette excise tax is paid through credit purchases of stamp and meter impressions and almost 20% by cash payment. When it is more practicable to collect the tax without the use of stamps or meter impressions (for example, manufacturers' gift samples), the tax is paid with returns or by direct payment to the Onio Treasurer of State.

Method of Payment	Ohio Revised Code Section	Description of Payment
Credit Payment	5743.05	The Tax Commissioner may authorize wholesale and retail dealers to purchase stamps and meter impressions on credit payable within thirty days. For out-of-state dealers, this applies only if that state allows Ohio dealers the same credit.
Cash Payment	5743.03	Dealers are required to pay for stamps and meter impressions at the time of purchase unless they have been authorized to make credit purchases.
Direct Payment	5743.33	Direct payments are made primarily by manufacturers on gift samples of cigarettes, but also include assessments and deficiency payments, and voluntary payments by consumers.

TAX RETURN DATES:

Wholesale and retail dealers are required to file a semi-annual return even though they may have paid all their tax through the purchase of stamps and meter impressions. Any payment due on cigarettes not previously taxed is included.

Others who have untaxed cigarettes file a monthly use tax return along with their tax.

Type of Return	Filing Date	Revised Code Section	Taxpayer
Semi-annual	By July 31 for the preceding January-June period. By January 31 for the preceding July-December period	5743.03	Wholesale and retail dealers
Monthly	By the 15th of each month for the preceding month	5743.33	Use tax returns

DISCOUNT (R.C. 5743.05):

As a consideration for affixing and cancelling cigarette stamps and meter impressions, retail and wholesale dealers receive a discount of 3.6% of the face value of stamps and meter impressions whether purchased for cash or on credit. However, the discount does not apply to the 1¢ per pack bond retirement levy, nor to use tax return payments.

DISPOSITION OF REVENUE:

Tax Rate	Revised Code Section	Disposition of Revenue
13¢ per pack	5743.02	State General Revenue Fund
1¢ per pack	5743.023	Payment for retirement of bonds issued pursuant to Article VIII, Section 2f of the Ohio Constitution

OHIO REVISED CODE CITATIONS:

Chapter 5743.

RECENT LEGISLATION:

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5743.02: The cigarette excise tax rate of 7¢ per ten cigarettes (14¢ per pack) is reduced to 6.5¢ (13¢ per pack).

R.C. 5743.32: The cigarette excise use tax rate of 7¢ per ten cigarettes (14¢ per pack) is reduced to 6.5¢ (13¢ per pack).

R.C. 5743.05: The discount allowed to wholesale and retail dealers is increased from 3-1/3% to 3.6%.

Table 12

CIGARETTE EXCISE TAX RECEIPTS
FISCAL YEAR 1982

Type of Payment	Gross Tax	Discount Allowed	Net Tax Collected
Credit Payments	$169,136,049	$5,524,554	$163,611,495
Cash Payments	36,590,514	1,195,170	35,395,344
Direct Payments	945,391	- -	945,391
Total	**$206,671,954**	**$6,719,724**	**$199,952,230**

SOURCE: Treasurer of State.

ALCOHOLIC BEVERAGE TAXES

The Ohio Department of Taxation and the Department of Liquor Control share responsibilities for the administration of the laws regarding alcoholic beverages. The Department of Liquor Control, which includes the Liquor Commission: (1) is in charge of issuing, suspending, and revoking permits to manufacture, distribute, and sell all alcoholic beverages; (2) operates a system of state liquor stores for the sale of spirituous beverages (liquors containing more than 21% alcohol by volume) at retail and to holders of permits authorized to make retail sales; and (3) controls all phases of manufacturing, distribution, and sale of alcoholic beverages in Ohio. The Department of Taxation is involved mainly in the administration of the taxes on non-spirituous beverages (beer, malt beverages, wine, mixed beverages, and malt and brewers wort). This section of the Annual Report covers only the role of the Department of Taxation.

Before 1900, the states played a secondary role to the federal government in regulating the sale of alcoholic beverages. However, after Prohibition was repealed in 1933, the states gained predominance. That same year, Ohio passed its first liquor control act and enacted tax levies on beer, wine and other non-spirituous beverages. Since 1933, there have been amendments to the law including imposing the state sales tax on beer, malt beverages, wine, and mixed beverages beginning in 1967.

Major legislation was enacted in November 1981 that will benefit Ohio brewers and wine producers: Ohio brewers that produce less than 31,000,000 gallons of beer and malt beverages annually will receive a credit against their excise taxes on up to 9,300,000 gallons the following year; Ohio wineries that produce less than 500,000 gallons annually will be exempt from paying any alcoholic beverage excise tax the following year. In addition, the wine industry in Ohio will be helped from the levy of a 2¢ per gallon tax (effective January 1, 1982) and the earmarking of 1¢ per gallon of the current excise tax (effective July 1, 1982) to be used for research into the production, development, and distribution of grape products.

Receipts from the excise taxes on beer, malt beverages, wine, and mixed beverages were $45.7 million in fiscal year 1982 compared with $69 million in fiscal year 1981. However, during six months in fiscal year 1981 higher excise tax rates were in effect.

TAX BASE:

Sale by volume of the following non-spirituous beverages (R.C. 4301.01 and 4309.01):

Type of Product	Definition
Beer	Brewed or fermented malt product containing from 0.5% to 3.2% alcohol by weight.
Malt Beverage or malt liquor	Brewed or fermented malt product containing more than 3.2% and not more than 7.0% alcohol by weight.
Wine (including sparkling wine and vermouth)	Fermented juices of grapes, fruits or other agricultural products and containing from 7% to 21% alcohol by volume.
Mixed Beverages	Mixture of wine or distilled spirits with carbonated or non-carbonated flavoring materials and containing from 7% to 21% alcohol by volume.
Malt	Liquid, solid, or extract made from cereal grains.
Brewers Wort	Liquid malt containing less than 15% solids by weight.

RATES:

Type of Product	Revised Code Section	Unit of Measure	Tax Rates
Beer and malt beverages in bottles or cans	4307.02, 4301.42	6 oz. or fractional part thereof	0.75 cent[a]
Beer and malt beverages in barrels	4305.09, 4305.01	31 gallons	$2.50
Wine (containing alcohol 7% by weight to 14% by volume)	4301.43	Gallon	24 cents
Wine (containing alcohol 14% to 21% by volume)	4301.43	Gallon	60 cents
Vermouth	4301.43	Gallon	75 cents
Sparkling and Carbonated Wine and Champagne	4301.43	Gallon	$1.25
Mixed Beverages	4301.43	Gallon	80 cents
Malt	4309.04	One pound or fractional part thereof	3 cents
Brewers Wort	4309.04	Gallon	10 cents

(a) The rate on bottles and cans having less that 12 ounces of liquid content is 1/8 of 1¢ per ounce, effective July 1, 1982.

TAXPAYER:

Type of Product	Revised Code Section	Taxpayer
Bottle and Canned Beer and Malt Beverages	4301.42	Manufacturer, Bottler, Canner, or Wholesale Dealer
Barrel Beer	4305.09	Manufacturer or Consignee
Wine	4301.43	Manufacturer, Bottler or Wholesale Dealer
Mixed Beverages	4301.43	Manufacturer, Wholesale Dealer. or Retail Dealer
Malt and Brewers Wort	4309.05	Wholesale Dealer or Retail Dealer

PAYMENT DATES (R.C. 4303.33):

Beer and malt beverages permit holders:

Advance payment: On or before the 18th of each month for that month's estimated tax liability.

Monthly payment: On or before the 10th of each month for the balance of the previous month's tax liability after advance payment credits.

PAYMENT DATES (cont'd):

Wine and mixed beverage permit holders:

Monthly payment: On or before the 18th of each month for the previous month's tax liability.

Malt and brewers wort:

Monthly payment: On or before the 10th of each month for the previous month's tax liability.

DISCOUNTS AND ADDITIONAL CREDITS (R.C. 4303.33):

Discounts and additional credit are in consideration for advance and prompt payment of tax liability and for other services performed by permit holders.

Beer and malt beverage permit holders:

3% additional credit on the amount of advance payment if the payment is received by the Treasurer of State on or before the 18th of the month covered by the payment. 3% discount on 10% of the monthly payment remaining after the advance payment is deducted, if the monthly payment is received by the Treasurer of State on or before the 10th of the month for the previous month's tax liability.

Wine and mixed beverage permit holders:

3% discount on the amount of monthly payment if the payment is received on or before the 18th of the month for the previous month's tax liability.

DISPOSITION OF REVENUE (R.C. 4301.46, 4305.01, 4307.02, 4309.04):

General Revenue Fund.

OHIO REVISED CODE CITATIONS:

Chapters 924,4301, 4303, 4305, 4307, 4309.

RECENT LEGISLATION:

Am. Sub. S.B. 14, effective September 25, 1981.

Revised Code 4301.42 and 4307.02: Changes the excise tax on beer and malt beverages in bottles and cans having less than twelve ounces of liquid content from a rate of three-fourths of one cent per six ounces or fractional part thereof to a rate of one-eighth of one cent per ounce of liquid content, effective July 1, 1982.

Am. Sub. H.B. 694, effective November 15, 1981.

Revised Code 924.51-924.55: The Ohio Grape Industries Committee is created to conduct research on the marketing and distribution of grapes and grape products. The Ohio Grape Industries Special Account is created to fund the work of the Committee.

Revised Code 4301.43 (effective July 1, 1982): One cent per gallon of the current excise tax on wine, vermouth, and sparkling wine and champagne is earmarked for the Ohio Grape Industries Special Account.

RECENT LEGISLATION (cont'd):

Revised Code 4301.432 (effective January 1, 1982): A tax of two cents per gallon is levied on the sale or distribution of vermouth, wine, and sparkling wine and champagne. The receipts are to be paid into the Grape Industries Special Account.

Revised Code 4303.332: Any licensed Ohio brewer of beer and malt beverages whose total production, wherever produced, does not exceed 31,000,000 gallons in a calendar year will receive a credit against its excise tax the following year or a refund on its excise tax at the end of the year on up to 9,300,000 gallons of beer and malt beverages distributed in Ohio.

Revised Code 4303.333: Any licensed Ohio wine producer whose total production of wine, wherever produced, does not exceed 500,000 gallons in a calendar year will be allowed an exemption from its excise tax the following year or a refund on its excise tax at the end of the year.

Am. Sub. H.B. 357, effective August 19, 1982.

Revised Code 4301.01: Eliminates the distinction between "beer" and "malt beverage" or "malt liquor" in terms of their alcoholic content by defining them as brewed or fermented malt products containing from 0.5% to no more than 6% alcohol by weight.

Table 13

ALCOHOLIC BEVERAGE TAX PAYMENTS AND CREDITS,
FISCAL YEAR 1982

Type of Beverage	Gross Tax	Credits And Discounts	Net Tax Receipts
Beer and Malt Beverage			
Advance Tax Payments	$32,001,310	$854,140	$31,147,170
Payment With Return	6,771,880	58,379	6,713,501
Other Payments	960	-	960
Total	$38,774,150	$912,519	$37,861,631
Wine and Mixed Beverages			
Payment With Return	$ 6,849,806	$ 170,111	$ 6,679,695
Other Payments	45,166	-	45,166
Total	$ 6,894,972	$ 170,111	$ 6,724,861
Brewers' Wort and Malt /Payment With Return	642	-	$ 642
Grand Total	$45,669,764	$1,082,630	$44,587,134

Table 14

ALCOHOLIC BEVERAGE TAX LIABILITY, AS REPORTED ON RETURNS,
FISCAL YEARS 1980, 1981, AND 1982

	Amount Of Tax Liability		
Type of Beverage	1980	1981	1982(a)
Beer and Malt Beverage	$39,455,440	$60,218,933	$38,774,150
Wine 14% or less alcohol	2,373,030	4,063,818	2,931,694
Wine 14-21% alcohol	1,457,088	1,810,781	1,612,745
Mixed Beverages	864,932	1,076,230	858,093
Vermouth	207,443	219,285	196,742
Sparkling Wine	902,900	991,149	1,068,739
Total	$45,260,833	$68,380,196	$45,442,163

(a) Not comparable with earlier years due to changes in posting procedures.
Note: Amounts represent tax liability as opposed to tax payments in Table 13.

HORSE RACING TAX

Ohio has permitted horse racing and pari-mutuel wagering on horse racing since 1933. The regulation of horse racing is the responsibility of the State Racing Commission which consists of five members appointed by the Governor and confirmed by the Ohio Senate. The State Racing Commission issues racing permits and sets the racing dates for each meet. Since 1953, the Department of Taxation has administered the tax on pari-mutuel wagering.

Permit holders retain 18% of all money wagered as their commission. From this commission, permit holders pay 5-15/16% of the amount wagered daily for purses and pay the pari-mutuel tax on wagering to the state. In addition, harness and quarter horse permit holders pay 0.625% of the amount wagered into the Ohio Fairs Fund and 0.5% of the amount wagered into the Ohio Standardbred Development Fund or the Quarter Horse Development Fund. Permit holders also retain the first $2,000 of the total racing meet "breakage" (the odd cents remaining after pari-mutuel winning tickets are paid off at the next lowest multiple of ten cents) plus 75% of the remaining breakage. The other 25% of the breakage goes to the state. Permit holders must use 40% of their share of the breakage for purse money.

The state pays part of the wagering tax receipts into the Ohio Fairs Fund and the Ohio Thoroughbred Race Fund Special Account. Permit holders who make capital improvements to existing race tracks or who construct new tracks can reduce their tax rate by 0.75% each year for up to twenty-five years or until the total reduction in tax liability equals 70% of the cost of construction, whichever occurs first. The wagering tax on racing at agricultural expositions and fairs is used to support agricultural societies in the counties in which racing takes place.

Although the total amount wagered on horse racing during fiscal year 1982 declined by 8% from fiscal year 1981, the tax on wagering increased by 1.5%. This increase was due to legislation effective July 13, 1981, which levies an additional 2.5% tax on all wagering other than win, place, and show (so-called "exotic" wagering which applies to the daily double, quinella, perfecta, and trifecta). Beginning June 25, 1982, racing permit holders are allowed to conduct pari-mutuel wagering on electronically televised simulcasts of horse races at tracks outside of Ohio.

TAX BASE (R.C. 3769.08):

1. Amount wagered each day at each horse race meeting.
2. Total amount wagered at each horse race meeting of a permit holder.
3. Breakage (the odd cents remaining after winning tickets are paid in multiples of ten cents).

RATES:

1. Pari-mutuel wagering tax (R.C. 3769.08):

Amount Wagered Daily	Harness Racing[a]	Quarter Horse Racing[a][b] July 1 to July 12, 1981	Thoroughbred Racing
First $ 50,000	4.0%	1.0%	
Next $ 50,000	5.0%	3.0%	6.5%
Next $100,000	6.0%	5.0%	on total
Next $350,000	7.0%	7.0%	wagered
Over $550,000	7.5%	7.5%	

(a) Includes 1.0% for special funds.
(b) Until January, 1984, the rates on quarter horse racing are set by Section 1 of S.B. 103, effective January 16, 1980.

RATES (cont'd):

Amount Wagered Daily	Harness Racing[a]	Quarter Horse Racing[a][b]	Thoroughbred Racing
	July 13, 1981 to July 12, 1982		
First $ 50,000	3.625%	1.125%	
Next $ 50,000	4.625%	3.125%	6.125%
Next $100,000	5.625%	5.125%	on total
Next $350,000	6.625%	7.125%	wagered
Over $550,000	6.625%	7.625%	

(a) Includes 1.125% for special funds.
(b) Until January, 1984, the rates on quarter horse racing are set by Section 1 of S.B. 103, effective January 16, 1980.

2. Exotic Wagering Tax (R.C. 3769.087 effective July 13, 1981): 2.5% of the amount wagered daily on other than win, place, and show. This is termed "exotic" wagering and is on the following special events:

   Daily Double - Selecting and wagering on the winning horses in two designated races;

   Perfecta - Selecting and wagering on the first and second place horses in order of finish in a designated race;

   Quinella - Selecting and wagering on the first and second place horses but not necessarily in the order of finish in a designated race;

   Trifecta - Selecting and wagering on the first, second, and third place horses in order of finish in a designated race.

3. Breakage Tax (R.C. 3769.08): 25% of the amount remaining in excess of $2,000 of the odd cents accumulated during a racing meet after winning tickets are paid off at the next lowest multiple of ten cents.

4. Additional Pari-Mutuel Wagering Tax (R.C. 3769.081): This money is divided equally between the municipal corporations and townships in which racing took place and is meant to reimburse these areas for expenses incurred due to racing meets. The municipal corporations and townships receiving the money may reimburse an adjoining political subdivision which also incurred costs because of racing meets. The tax is levied as follows:

Total Amount Wagered Each Horse Racing Meet	Rate
Less than $5,000,000	0.10%
$5,000,000 or more	0.15%

The maximum tax liability is $15,000.

EXEMPTIONS (R.C. 3769.081):

Agricultural Societies are not subject to the additional pari-mutuel wagering tax.

WHO REMITS TAX (R.C. 3769.09):

The racing permit holder remits to the Tax Commissioner the tax on the amount wagered and the breakage as described in **"Rates"**. The Tax Commissioner in turn distributes the tax as described in **"Disposition of Revenue"**.

PAYMENT DATES (R.C. 3769.081, 3769.10):

Each day of racing: Tax Commissioner's agent collects the pari-mutuel wagering tax, exotic wagering tax, and breakage tax.

Close of racing meet: Within ten days, the additional pari-mutuel wagering tax is collected and forwarded immediately to the municipal corporation(s) or township(s) in which the racing meet took place.

DISPOSITION OF REVENUE (R.C. 3769.08, 3769.081, 3769.087):

Each Permit Holder pays to the Tax Commissioner a sum equal to the percent of money wagered and the breakage as described in the **"Rates"** section. The Tax Commissioner then distributes the receipts to the following funds and special account:

Receipts from Pari-Mutuel Wagering Tax

Distributed To	Source of Receipts (Wagering on)	Distribution Percent
Ohio Fairs Fund	Thoroughbred, harness, and quarter horse	0.5% of amount wagered
Ohio Thoroughbred Special Account	Thoroughbred Harness*	0.6875% of amount wagered 0.5% of amount wagered
Standardbred Development Fund	Harness	0.625% of amount wagered
Quarter Horse Development Fund	Quarter horse	0.625% of amount wagered
Ohio General Revenue Fund	Thoroughbred, harness*, and quarter horse	Net receipts after payments to above funds
Agricultural Societies	Harness racing at county fairs	Net receipts after payment to the Ohio Fairs Fund and the Standard-bred Fund

*Excluding agricultural expositions and fairs.

Receipts from Breakage

Distributed To	Source of Receipts	Distribution Percent
Ohio General Revenue Fund	Track breakage	25% of net breakage

Receipts from "Exotic" Wagering Tax

Distributed To	Source of Receipts (Wagering on)	Distribution Percent
Ohio Fairs Fund	Thoroughbred, harness, and quarter horse	0.25% of amount wagered
Ohio Thoroughbred Special Account	Thoroughbred	0.25% of amount wagered

DISPOSITION OF REVENUE (cont'd):

Receipts from "Exotic" Wagering Tax (cont'd)

Distributed To	Source of Receipts (Wagering on)	Distribution Percent
Standardbred Development Fund	Harness	0.25% of amount wagered
Quarter Horse Development Fund	Quarter horse	0.25% of amount wagered
Ohio General Revenue Fund	Thoroughbred, harness, and quarter horse	2.0% of amount wagered

Receipts from the Additional Pari-Mutuel Wagering Tax

Distributed To	Source of Receipts (Wagering on)	Distribution Percent
General revenue funds of municipalities and townships in which racing takes place	Thoroughbred, harness, and quarter horse	0.1% of amount wagered if total is less than $5,000,000 0.15% of amount wagered if total is $5,000,000 or more (maximum of $15,000)

SPECIAL PROVISIONS (R.C. 3769.08):

1. Capital Improvement Deduction: With the approval of the State Racing Commission, permit holders making capital improvements, constructing new racing facilities, or reconstructing facilities damaged by fire or other cause at a total cost of $100,000 or more may reduce their tax rate by 0.75% for a period of fifteen years on capital improvements and reconstruction and a period of twenty-five years on new race track construction or until the total reducton in tax liability equals 70% of construction costs, whichever occurs first.

2. A race track closed due to fire or other cause can make up the days of racing lost during the first three years succeeding the reopening of the track.

OHIO REVISED CODE CITATIONS:

Chapter 3769.

RECENT LEGISLATION:

Am. Sub. H.B. 330, effective July 13, 1981.

R.C. 3769.07: Allows five days of additional racing.

R.C. 3769.08: Reduces the wagering tax on thoroughbred racing over a period of three years.

Tax Rate	Period in Effect
6.125%	July 13, 1981 through July 12, 1982
5.6875%	July 13, 1982 through July 12, 1983
5.250%	July 13, 1983 and thereafter

RECENT LEGISLATION (cont'd):

Reduces the wagering tax on harness racing over a period of three years.

Amount Wagered Daily	Rate Schedule: July 13, 1981 thru July 12, 1982	July 13, 1982 thru July 12, 1983	July 12, 1983 and Thereafter
First $50,000	2.5%	2.0%	1.5%
Next $50,000	3.5%	3.0%	2.5%
Next $100,000	4.5%	4.0%	3.5%
Over $200,000	5.5%	5.0%	4.5%

Increases the amount credited to the Ohio Thoroughbred Race Special Account (previously called the Thoroughbred Race Fund) to 0.75% of amount wagered over a period of three years.

Amount Credited	Period in Effect
0.625%	July 13, 1981 through July 12, 1982
0.6875%	July 13, 1982 through July 12, 1983
0.750%	July 13, 1983 and thereafter

Increases the amount credited to the Ohio Standardbred Development Fund and the Quarter Horse Development Fund to 0.625% of the amount wagered.

Increases the capital improvements reduction to 0.75% of the amount wagered, increases the number of years the reduction may be in effect to twenty-five years for new race tracks and to fifteen years for improvements to existing race tracks, and expands the types of capital improvements for which the credit may be taken.

R.C. 3769.087: Imposes an additional 2.5% tax on wagering other than win, place, and show. The additional tax applies to the daily double, quinella, perfecta, and trifecta wagering.

R.C. 3769.088: Strengthens the Tax Commissioner's assessment procedures and penalties against permit holders who fail to pay the taxes levied.

Am. Sub. S.B. 530, effective June 25, 1982.

R.C. 3769.089: Allows permit holders to show electronically televised simulcasts of out-of-state horse racing and to conduct pari-mutuel wagering on such racing.

Table 15

AMOUNT WAGERED ON HORSE RACING AND TOTAL TAX AND SPECIAL FUND COLLECTIONS, BY TYPE OF EVENT, FISCAL YEARS 1978 - 1982

Fiscal Year	Thoroughbred Racing	Quarter Horse & Commercial Harness Racing	Agricultural Societies Racing	Total
		Total Amounts Wagered		
1978	$204,904,650	$157,074,838	$3,077,875	$365,057,363
1979	231,253,045	203,061,742	3,599,838	437,914,625
1980	249,189,308	194,889,824	3,724,117	447,803,249
1981	229,369,573	198,635,198	3,951,205	431,955,976
1982	218,845,146	173,675,748	4,289,807	396,810,701
		Collections		
1978	$13,396,428	$ 9,092,218	$147,914	$22,636,560
1979	14,906,798	11,660,977	177,085	26,744,860
1980	15,631,824	11,130,471	185,176	26,947,471
1981	14,327,668	11,357,499	195,691	25,880,858
1982	14,975,152	11,084,465	228,384	26,288,001

Table 16

AMOUNT WAGERED ON HORSE RACING, TAX COLLECTIONS
AND ALLOCATION TO FUNDS, BY MEET, FISCAL YEAR 1982

	Thoroughbred (Running) Meets	Commercial Harness Race Meets and Quarter Horse Meets	County Agricultural Societies	Grand Total
Number of Days	396	633	181	1,210
Tax Base				
Pari-Mutuel Wagering	$218,845,146	$173,675,748	$4,289,807	$396,810,701
Exotic Wagering	95,735,729	100,557,841	1,240,801	197,534,371
Breakage	1,688,110	1,174,088	17,091	2,879,289
Total Tax Base	$316,268,985	$275,407,677	$5,547,699	$597,224,361
Tax Levied				
Pari-Mutuel Wagering	$ 13,487,171	$ 7,434,362	$ 142,861	$ 21,064,394
Exotic Wagering	2,393,395	2,513,947	31,020	4,938,362
Breakage	432,160	293,523	4,273	729,956
Other Tax(1)	- 0 -	1,940,185	50,230	1,990,415
Total Tax Levied	$ 16,312,726	$ 12,182,017	$ 228,384	$ 28,723,127
Capital Improvement Credit	$ 1,337,573	$ 1,097,553	- 0 -	$ 2,435,126
Net Tax Collected	$ 14,975,153	$ 11,084,464	$ 228,384	$ 26,288,001
Amount Distributed				
Agricultural Societies	- -	- -	$ 174,203	$ 174,203
Quarter Horse Development Fund	- -	$ 24,543	- -	24,543
Standardbred Development Fund	- -	1,298,622	29,713	1,328,335
Thoroughbred Special Account	1,592,052	853,465	- -	2,445,517
Ohio Fairs Fund	1,336,125	1,119,775	24,468	2,480,368
State General Revenue Fund	12,046,976	7,788,059	- 0 -	19,835,035
Total Amount Distributed	$ 14,975,153	$ 11,084,464	$ 228,384	$ 26,288,001

(1) Tax paid by permit holders for funds and special account.

SOFT DRINK MIX TAX

Ohio enacted an excise tax on soft drinks effective November 15, 1981. The tax does not apply to bottled or canned soft drinks, but is imposed on the syrup or mix used to produce a finished product at the point of sale (post-mix soft drinks) and on the ready-to-use finished product sold in dispensers (pre-mix soft drinks). These are soft drinks sold at retail establishments, fairs, sports events, and other settings where soft drinks are dispensed from soda fountains, vending machines, or other devices.

The tax was challenged in court as unconstitutional and the plaintiffs won a declaratory judgement. The Ohio General Assembly then enacted legislation to repeal the tax as of January 1, 1983.

During the seven and one-half months that the tax was imposed during fiscal year 1982, $12.7 million was collected. The tax will remain in effect only through the first six months of fiscal year 1983.

TAX BASE (R.C. 5753.01):

The distribution for sale at retail of pre-mix and post-mix soft drinks made with a soft drink syrup. A soft drink syrup is defined as a dry or liquid mixture of extracts, powders, crystals, granules, or tablets used in producing soft drinks. A soft drink is defined as any non-alcoholic, flavored, carbonated beverage made with a soft drink syrup. The soft drink excise tax applies to the following:

Type of Product	Definition
Pre-mix soft drink	Ready-to-use soft drinks made with a soft drink syrup
Post-mix soft drink	Soft drink syrup that is to be mixed with plain or carbonated water, soda, soda water, ice, fruit juice or other mix at the point of retail sale.

RATES (R.C. 5753.02):

Type of Product	Tax Rate
Pre-mix soft drink	$ .25
Post-mix soft drink	$2.75

EXEMPTIONS (R.C. 5753.02):

1. The sale of soft drinks in bottles, cans, and any other containers suitable for purchase at retail by the consumer.
2. The sale of soft drink syrup to manufacturers of soft drinks in bottles, cans, and other containers suitable for purchase at retail by the consumer.

TAXPAYER (R.C. 5753.02):

Each person who distributes pre-mix or post-mix soft drinks for sale at retail.

PAYMENT DATES (R.C. 5753.02):

Monthly payments by the 20th of each month of the tax due for the previous month.

DISPOSITION OF REVENUE (R.C. 5753.02):

Ohio General Revenue Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5753.

RECENT LEGISLATION:

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5753: Enacts the soft drink mix tax specifying the tax base, rates, etc.

Am. S.B. 530, effective June 25, 1982.

Section 37: Repeals the soft drink excise tax effective January 1, 1983.

SIGNIFICANT COURT DECISIONS:

The Coca-Cola Company, et al., v. Lindley, et al., Franklin County (Ohio) court of Common Pleas, Case No.: 81CV-11-6215, January 19, 1982.

The Court found that Ohio Revised Code Chapter 5753 is ambiguous, denies equal protection, and is unconstitutional.

The Coca-Cola Company et al. (Appellees), v. Lindley, et al. (Appellants), Court of Appeals for Franklin County, Case No. 82AP-58, August 10, 1982.

The parties jointly moved for an order vacating the above case. The motion was sustained and remanded to the trial court for further proceedings.

The Coca-Cola Company, et al., v. Lindley, et al., Franklin County Court of Common Pleas, Case No.: 81CV-11-6215, August 10, 1982.

An entry was made ordering that the application for vacation of judgement is granted in view of the fact that the soft drink excise tax will be repealed as of January 1, 1983.

Table 17

SOFT DRINK MIX TAX COLLECTIONS, FISCAL YEAR 1982

Type of Product	Average Number of Distributors	Tax Collections
Pre-mix soft drink	47	$ 791,988
Post-mix soft drink	149	11,859,575
Total	**150**[a]	**$12,651,563**

(a) Numbers do not add to total since some distributors handle both types of soft drinks.

NOTE: The breakdown of the number of distributors and tax collections by type of product was estimated from a sample because records are maintained only for the totals.

SEVERANCE TAX

The severance tax, first levied in 1972, is paid by persons or firms which extract or sever certain natural resources from the soil or waters of Ohio. The tax produced nearly $4 million in fiscal year 1982, about 37% of it from the levy on coal. Severers are licensed by the Tax Commissioner or other designated state agencies.

TAX BASE (R.C. 5749.02):

The tax is levied on the weight or volume of certain natural resources extracted from the soil or water of Ohio.

RATES (R.C. 5749.02):

Coal, Salt	4 cents per ton
Oil	3 cents per barrel
Natural Gas	1 cent per 1,000 cubic feet
Limestone, Dolomite, Sand, Gravel	1 cent per ton

EXEMPTIONS AND CREDITS (R.C. 5749.03):

$1,000 exemption annually for natural resources used on the land from which they are taken by the severer as part of the improvement of or use in his homestead.

TAXPAYER (R.C. 5749.02):

Each severer.

PAYMENT DATES (R.C. 5749.06):

Quarterly:	May 15	For quarterly periods
	August 14	ending the last day of
	November 14	March, June, September
	February 14	and December, respectively.

DISPOSITION OF REVENUE (R.C. 5749.02, 5749.021):

A. To fund the Geological Mapping Special Account, the following distributions are made:

(1) 11% of coal severance tax collections
(2) 15% of salt, limestone, dolomite, sand and gravel severance tax collections
(3) 10% of oil and gas severance tax collections

B. To fund the Unreclaimed Lands Special Account, the following distributions are made:

(1) 89% of coal severance tax collections
(2) 85% of salt, limestone, dolomite, sand and gravel severance tax collections

C. To fund the Oil and Gas Well Plugging Special Account, one million dollars is allocated from the remaining 90% of oil and gas severance tax collections. Any excess over this dollar amount will be allocated to the Oil and Gas Permit Fee Special Account.

OHIO REVISED CODE CITATIONS:

Chapter 5749.

RECENT LEGISLATION:

Am. H.B. 385, effective March 17, 1982.

R.C. 1505.09: Creates a Geological Mapping Special Account to be administered by the Chief of the Division of Geological Survey.

R.C. 5749.02: Changes the distribution of tax collections from a percentage to one million dollars for the Oil and Gas Well Plugging Special Account. The excess over this amount is allocated to the Oil and Gas Permit Fee Special Account.

R.C. 5749.021: Creates the distribution percentages by severance tax to the new Geological Mapping Special Account and the new percentages to the Unreclaimed Lands Special Account.

Table 18

SEVERANCE TAX COLLECTIONS, FISCAL YEARS 1980-1982

Natural Resource	Tax Rate	1980	1981	1982
Coal	4 cents per ton	$1,674,846	$1,588,426	$1,470,969
Natural Gas	1 cent per 1,000 cu. ft.	1,249,618	1,348,649	1,332,918
Limestone	1 cent per ton	434,305	357,778	295,532
Oil	3 cents per barrel	329,768	382,561	399,479
Gravel	1 cent per ton	262,074	199,811	171,597
Sand	1 cent per ton	197,624	153,437	127,244
Salt	4 cents per ton	134,449	125,752	150,387
Dolomite	1 cent per ton	82,890	41,351	39,947
Total		**$4,365,574**	**$4,197,765**	**$3,988,073**

MOTOR VEHICLE FUEL TAX

An excise tax is imposed on all dealers in motor vehicle fuel upon the use, distribution, or sale within the state of Ohio of fuel used in generating power for the propulsion of motor vehicles. The fuel tax is actually composed of five separate levies: three levies of two cents each; one levy of one cent; and a new variable rate levy officially called the "cents per gallon rate." The cents per gallon rates is adjusted annually based upon factors of highway costs and gasoline consumption. Two different cents per gallon rates were in effect during fiscal year 1982: 3.3 cents per gallon from July 1, 1981 through February 28, 1982; and 4.7 cents per gallon from March 1, 1982 through June 30, 1982.

After amounts are set aside for refunds, the Waterways Safety Fund, and highway bond retirement, the remaining fuel tax receipts are distributed in approximately the following proportion: 75% to the state, 10.7% to municipalities, 9.3% to counties, and 5% to townships. All of this money is earmarked for highway related purposes in accordance with Article XII, Section 5a of the Ohio Constitution.

There are other provisions in Ohio law concerning the taxation of motor fuel and distribution of tax receipts: a portion of the motor fuel tax collected on fuel sold by Ohio Turnpike Commission stations is returned to the Commission for turnpike projects; a use tax is imposed on operators of vehicles subject to the Ohio highway use tax for fuel purchased outside of the state but consumed in Ohio; and dealers receive a credit which effectively equals 3.5 cents per gallon on gasohol.

Motor vehicle fuel wholesalers and distributors rather than retailers remit the tax. In fiscal year 1982, motor fuel tax receipts were $554.7 million which is an increase of 46.7% over the previous year. This increase was due to the new cents per gallon levy even though the total gallons consumed declined by 3.7%

TAX BASE (R.C. 5735.06):

Gallons of motor vehicle fuel sold, used, or distributed in Ohio.

RATES:

Ohio Revised Code Section	Tax Rate Per Gallon	
	Jul. 1, 1981 - Feb. 28, 1982	Mar. 1, 1982 - Jun. 30, 1982
5735.30	1 cent	1 cent
5735.05	2 cents	2 cents
5735.25	2 cents	2 cents
5735.29	2 cents	2 cents
5735.05 (Cents Per Gallon Rate)*	3.3 cents	4.7 cents
Total Rate Per Gallon	10.3 cents	11.7 cents

*See description under **"Special Provisions"**.

DEDUCTIONS, REFUNDS, AND CREDITS:

1. Dealers may claim the following deductions from their reported gallonage. (R.C. 5735.05, 5735.06):

   (a) Sales made either by tank car or cargo lots for purposes other than propelling motor vehicles on public highways or on waters within Ohio.
   (b) Sales of motor fuel made by licensed dealers to other licensed dealers for delivery by tank car or boat.
   (c) Export of motor fuel to other states or foreign countries.
   (d) Sales of motor fuel for exclusive use of the United States Government or its agencies.

DEDUCTIONS, REFUNDS, AND CREDITS (cont'd):

(e) Sales of motor fuel that is in the process of transportation in either interstate or foreign commerce.
(f) Sales of motor fuel to be used exclusively for the propulsion of aircraft.
(g) Three percent of net, taxable gallons of motor fuel to cover evaporation, shrinkage, and other losses. This deduction is only two percent on motor fuel sold to a retailer.

2. Persons who have purchased motor vehicle fuel on which the fuel tax has been paid may receive a refund under the following conditions (R.C. 5735.13, 5735.14, 5735.141, 5735.142, 5735.18):

(a) Fuel used in the following ways: to operate or propel stationary gas engines; tractors used for off-highway purposes; unlicensed motor vehicles used exclusively in intraplant operations.
(b) Motor fuel used by watercraft in the following ways: vessels used entirely for commercial purposes such as trade or fishing; vessels used in Boy Scout training; vessels used or owned by railroad car ferry companies; vessels used or owned by federal, state, and local governments.
(c) Fuel used for cleaning or dyeing.
(d) Motor fuel used by local transit systems except for the one-cent bond retirement levy.
(e) Motor fuel used in aircraft.
(f) One percent of the motor fuel tax paid on fuel purchased by retailers to cover losses from shrinkage and evaportion.
(g) Fuel lost or destroyed through theft, fire, explosion, lightning and other natural disasters.
(h) Any person, other than a dealer, who sells the fuel or uses the fuel outside Ohio, or who sells the fuel to the U.S. government or any of its agencies.

3. Dealers may receive the following credit against their fuel tax liability (R.C. 5735.145):

(a) 35 cents per gallon of ethanol or methanol combined with gasoline to create a blend containing not more than 10% ethanol or methanol. This credit effectively equals 3.5 cents per gallon of gasohol containing no more than ten percent ethanol or methanol combined with gasoline.

TAXPAYER (R.C. 5735.01):

Dealers who import into Ohio, produce, refine, prepare, distill, and otherwise process motor vehicle fuel for use, distribution, or sale and delivery in Ohio; or who purchase motor vehicle fuel for sale to any person for resale.

FILING AND PAYMENT DATES (R.C. 5735.06):

By the last day of each month for the preceding month's tax liability; filed with the Ohio Treasurer of State.

SPECIAL PROVISIONS:

Cents per Gallon Rate (Variable Rate) (R.C. 5735.011): This rate can vary from zero to a maximum of five cents per gallon and is intended to increase funds for highway expenditures to make up for higher costs and reduced tax receipts from lower gasoline consumption. The rate is to be calculated by the 10th of February in 1982, 1983, 1984 and is to be in effect for the twelve month period that begins on March 1 following the calculation; except that the rate calculated to begin March 1, 1984, will continue in effect from that point on. The procedure for calculating the cents per gallon tax rate is as follows:

(a) Divide the highway maintenance cost trend index as published by the U.S. Department of Transportation for the most recent preceding calendar year by the maintenance index for 1975.
(b) Divide gasoline consumption for fiscal year 1975 by gasoline consumption for the fiscal year preceding the calculation.
(c) Multiply the quotient obtained in (a) of this section by the quotient obtained in (b) of this section.

SPECIAL PROVISIONS (cont'd):

(d) Multiply the product obtained in (c) of this section by 6 cents.
(e) Subtract 6 cents from the product obtained in (d). If the difference is a positive amount of 5 cents or less, the difference will be the cents per gallon rate, rounded to the nearest 1/10th of 1 cent. If the difference is a negative amount, the cents per gallon rate is zero. If the difference is a positive amount in excess of five cents, the cents per gallon rate is five cents.

Fuel Use Tax (R.C. 5735.31): The Ohio motor vehicle fuel tax is imposed on the amount of motor fuel purchased outside of Ohio and consumed in Ohio for any vehicle subject to the highway use tax (3 or more axles). A credit or refund is allowed for the tax on fuel purchased in Ohio for use in another state provided that state allows a similar credit or refund.

DISPOSITION OF REVENUE:

The motor vehicle fuel tax is composed of five separate levies. Each of these levies is distributed in a different manner. Prior to any distribution, the following transfers of receipts are made:

(1) 0.5% to the Waterways Safety Fund.
(2) The amount needed to insure that there are sufficient funds to meet all payments for highway bond retirement.
(3) An amount equal to the current cents per gallon rate times the number of gallons sold at stations operated by the Ohio Turnpike Commission to the Commission for turnpike projects.

Tax Rate	Disposition of Revenue
2 cents per gallon (R.C. Section 5735.05)	(R.C. Section 5735.23) - 30% to municipal corporations in proportion to their motor vehicle registrations; - 25% to all counties in equal amounts; - 45% to the state.
2 cents per gallon (R.C. Section 5735.25)	(R.C. Sections 5735.26, 5735.27) - 67.5% to the state; - 7.5% to all counties in equal amounts; - 7.5% to municipalities in proportion to their motor vehicle registrations; - 17.5% to all townships in equal amounts.
2 cents per gallon (R.C. Section 5735.29)	(R.C. Section 5735.291) - 100% to the state.
1 cent per gallon (R.C. Section 5735.30)	(R.C. Section 5735.30) - 100% to the state for highway bond retirement funds, as long as required; thereafter, 100% to the state highway operating fund.
Cents Per Gallon Tax (R.C. Section 5735.05) 3.3 cents per gallon July 1981-February 1982 4.7 cents per gallon March 1982-February 1983	(R.C. Section 5735.23) - 75.0% to the state; - 10.7% to municipalities in proportion to their motor vehicle registration; - 9.3% to all counties in equal amounts; - 5.0% to all townships in equal amounts.

OHIO REVISED CODE CITATIONS:

Chapters 5735.

RECENT LEGISLATION:

Am. Sub. H.B. 102, effective July 1, 1981.

R.C. 5735.011 and 5735.05: Impose a variable motor fuel tax rate in addition to the 7-cents-per-gallon rate. The variable rate is to be computed by February 10th of 1982, 1983, and 1984 and is effective on March 1st of each year. The variable rate is based on the cost of highway maintenance for the previous calendar year compared to 1975 and gasoline consumption for the previous fiscal year compared to gasoline consumption for fiscal year 1975. This variable rate is limited to 5¢ (for a total maximum rate of 12¢).

R.C. 5735.06: Requires motor fuel dealers to file monthly reports with State Treasurer together with payment of the reported liability. The State Treasurer forwards the reports to the Tax Commissioner.

R.C. 5735.061: Any increase in the tax rate on motor vehicle fuel effective March 1st of 1982, 1983, or 1984 applies to motor vehicle fuel held in inventory as of those dates on which the motor fuel tax has been paid. Dealers receive refunds on the fuel in inventory if the rate is decreased in any year.

R.C. 5735.12: Enacts new assessment, penalty, and appeal procedures.

R.C. 5735.122, 5735.13, 5735.14, 5735.141 and 5735.142: Permits refunds of any overpayments. No refund claims permitted for the amount of tax paid on fewer than 100 gallons.

R.C. 5735.145: Enacts a tax credit of 35¢ for each gallon of ethanol or methanol that is blended with unleaded gasoline with the blend used as motor vehicle fuel (gasohol). Therefore, the effective credit per gallon of gasohol (assuming the usual 10% blend of ethanol or methanol) would be 3.5¢.

R.C. 5735.23: The tax levied by the variable rate is credited to the State and Local Government Highway Distribution Fund for distribution as follows: 10.7% to municipalities; 5% to townships; 9.3% to counties; 75% to the state.

R.C. 5735.31: Levies an excise tax (equal to total motor fuel tax rate) on fuel purchased outside of Ohio and used in Ohio by taxpayers subject to the highway use tax. Taxpayers must either purchase fuel in Ohio equivalent to the amount consumed in Ohio or pay the excise tax on the difference between the amount purchased in Ohio and the amount consumed in Ohio. Refunds are allowed for fuel purchased in Ohio and used outside of the state.

Section 2: Repeals existing Sections 5735.10 and 5735.12 which concern motor fuel tax assessments and penalties.

Section 3: The Tax Commissioner shall compute a new variable rate to be effective for the period from July 1, 1981 through February 28, 1982.

Am. H.B. 638, effective July 2, 1981.

R.C. 5735.06: Monthly reports are due by the last day of the month.

R.C. 5735.13, 5735.14, 5735.141, 5735.142, and 5735.17: Refunds are reduced by 35¢ for each gallon of ethanol or methanol which is blended with gasoline and is included in the total gallonage for refund claim. Therefore, refunds are reduced by 3.5¢ for every gallon of gasohol included (assuming the usual 10% blend of ethanol or methanol).

R.C. 5735.145: No tax credit is allowed for gasohol if the ethanol or methanol portion of the blend exceeds 10%. Repeals requirement that ethanol or methanol be blended with unleaded gasoline.

RECENT LEGISLATION (cont'd):

Section 2: Repeals existing Sections 5735.07, 5735.11, 5735.21, and 5735.22.

- Section 5735.07 required dealers to file reports with the Tax Commissioner by the 20th of each month.
- Section 5735.11 required the Tax Commissioner to transmit a statement to the State Auditor by the 27th of each month showing the taxable gallonage for each dealer. State Auditor was required to transmit a copy to the State Treasurer by the last day of each month.
- Sections 5735.21 and 5735.22 concerned the certification of delinquent taxes by the State Treasurer to the State Auditor and the collection of delinquencies by the Attorney General.

Table 19

GROSS AMOUNT OF MOTOR VEHICLE FUEL TAX CERTIFIED FOR COLLECTION, REFUNDS AND NET TAX AFTER REFUNDS, FISCAL YEARS 1978-1982

Fiscal Year	Certified for Collection	Number of Refunds Approved	Amount Certified For Refund	Net Tax After Refund
1978	$416,640,419	63,652	$10,850,248	$405,790,171
1979	427,036,551	59,759	10,425,519	416,611,032
1980	401,816,863	55,350	10,051,006	391,765,857
1981	386,616,530	49,965	8,743,441	377,873,089
1982	566,281,817	48,556	11,548,590	554,733,227

Table 20

TAXABLE GALLONS OF MOTOR VEHICLE FUEL, FISCAL YEARS 1978-1982

	1978	1979	1980	1981	1982
Gasoline	5,284,830,496	5,365,114,252	4,999,104,871	4,723,145,064	4,508,227,206
Special Fuels	666,914,827	735,316,207	730,857,205	732,431,141	744,193,881
Total	**5,951,745,323**	**6,100,430,459**	**5,729,962,076**	**5,455,576,205**	**5,252,421,087**

Table 21

MOTOR VEHICLE FUEL TAXES DISTRIBUTED TO LOCAL GOVERNMENTS,
CALENDAR YEAR 1981, BY COUNTY

County	Total	Amount To Counties	Amount To Townships	Amount To Municipalities	County	Total	Amount To Counties	Amount To Townships	Amount To Municipalities
Adams	$ 735,361	$ 440,157	$ 243,007	$ 52,197	Logan	$ 848,233	$ 440,157	$ 275,408	$ 132,668
Allen	1,042,710	440,157	194,406	408,147	Lorain	2,092,315	440,157	291,608	1,360,550
Ashland	836,657	440,157	243,007	153,493	Lucas	3,069,546	440,157	178,205	2,451,184
Ashtabula	1,194,959	440,157	437,413	317,389	Madison	758,021	440,157	226,807	91,057
Athens	792,986	440,157	226,807	126,022	Mahoning	1,534,645	440,157	226,807	867,681
Auglaize	828,932	440,157	226,807	161,968	Marion	944,531	440,157	243,007	261,367
Belmont	945,070	440,157	259,208	245,705	Medina	1,114,214	440,157	275,408	398,649
Brown	761,433	440,157	259,208	62,068	Meigs	687,960	440,157	194,406	53,397
Butler	1,673,620	440,157	210,606	1,022,857	Mercer	792,895	440,157	226,807	125,931
Carroll	702,909	440,157	226,807	35,945	Miami	1,008,600	440,157	194,406	374,037
Champaign	737,351	440,157	194,406	102,788	Monroe	762,761	440,157	291,608	30,996
Clark	1,080,632	440,157	162,005	478,470	Montgomery	3,360,811	440,157	198,006	2,722,648
Clermont	773,545	440,157	226,807	106,581	Morgan	691,353	440,157	226,807	24,389
Clinton	764,993	440,157	210,606	114,230	Morrow	738,515	440,157	259,208	39,150
Columbiana	1,060,779	440,157	291,603	329,014	Muskingum	1,070,271	440,157	405,012	225,102
Coshocton	913,894	440,157	356,410	117,327	Noble	704,249	440,157	243,007	21,085
Crawford	916,031	440,157	259,208	216,666	Ottawa	737,520	440,157	194,406	102,957
Cuyahoga	8,634,324	440,157	64,802	8,129,365	Paulding	687,847	440,157	194,406	53,284
Darke	933,504	440,157	324,009	169,338	Perry	746,174	440,157	226,807	79,210
Defiance	779,629	440,157	194,406	145,066	Pickaway	785,386	440,157	243,007	102,222
Delaware	874,629	440,157	291,608	142,864	Pike	702,114	440,157	226,807	35,150
Erie	902,860	440,157	145,804	316,899	Portage	1,085,719	440,157	291,608	353,954
Fairfield	967,755	440,157	210,606	316,992	Preble	749,665	440,157	194,406	115,102
Fayette	695,031	440,157	162,005	92,869	Putnam	778,105	440,157	243,007	94,941
Franklin	5,291,918	440,157	275,408	4,576,353	Richland	1,241,851	440,157	291,608	510,086
Fulton	760,387	440,157	194,406	125,824	Ross	898,670	440,157	259,208	199,305
Gallia	726,329	440,157	243,007	43,165	Sandusky	826,304	440,157	194,406	191,741
Geauga	777,725	440,157	259,208	78,360	Scioto	880,484	440,157	259,208	181,119
Greene	1,241,219	440,157	194,406	606,656	Seneca	930,819	440,157	243,007	247,655
Guernsey	864,843	440,157	307,809	116,877	Shelby	819,258	440,157	226,807	152,294
Hamilton	4,070,372	440,157	194,406	3,435,809	Stark	1,846,096	440,157	275,408	1,130,531
Hancock	995,349	440,157	275,408	279,784	Summit	3,240,627	440,157	210,606	2,589,864
Hardin	791,405	440,157	243,007	108,241	Trumbull	1,550,704	440,157	388,811	721,736
Harrison	738,013	440,157	243,007	54,849	Tuscarawas	1,152,023	440,157	356,410	355,456
Henry	748,542	440,157	210,606	97,779	Union	740,797	440,157	226,807	73,833
Highland	798,514	440,157	275,408	82,949	Van Wert	741,120	440,157	194,406	106,566
Hocking	668,716	440,157	178,205	50,354	Vinton	660,221	440,157	194,406	25,658
Holmes	697,931	440,157	226,807	30,967	Warren	927,109	440,157	178,205	308,747
Huron	968,548	440,157	307,809	220,582	Washington	969,564	440,157	356,410	172,997
Jackson	727,867	440,157	194,406	93,304	Wayne	990,246	440,157	259,208	290,881
Jefferson	992,185	440,157	226,807	325,221	Williams	762,979	440,157	194,406	128,416
Knox	930,666	440,157	356,410	134,099	Wood	1,105,407	440,157	307,809	357,441
Lake	1,613,918	440,157	81,002	1,092,759	Wyandot	736,198	440,157	210,606	85,435
Lawrence	818,839	440,157	226,807	151,875					
Licking	1,293,660	440,157	421,212	432,291	Total	$103,538,476	$38,733,816	$21,355,830	$43,448,830

SOURCE: Ohio Auditor of State.

HIGHWAY USE TAX

The highway use tax is an axle-mile tax levied on commercial vehicles in relation to varying combinations of number of axles and miles traveled by the vehicles. Enacted in 1953, it was intended primarily for highway bond retirement and is still used mainly for that purpose. In fiscal year 1982, highway use tax collections were approximately $43.9 million and there were 146,440 new highway use permits issued.

The highway use tax rates range from one-half cent per mile to two and one-half cents per mile depending on the number of axles of the vehicle. As in past years, the majority of the tax revenue in fiscal year 1982 was generated by those vehicles in the two-cents-per-mile bracket. Vehicles in this rate bracket also represented the majority of permit holders.

BASE AND RATES (R.C. 5728.06):

The highway use tax is levied on the following vehicles for each mile traveled on a public highway in Ohio at the rates shown:

Vehicle	Rate
Commercial car with 3 or more axles	0.5 cent per mile
Commercial tandem with 3 axles, and each commercial tractor operated as part of a commercial tractor combination with 3 axles	1 cent per mile
Commercial tractor operated as part of a commercial tractor combination with 4 axles	1.5 cents per mile
Commercial tractor operated as part of a commercial tractor combination with a total of 5 or more axles	2 cents per mile
Commercial car or commercial tractor operated as part of a commercial tandem with 4 or more axles	2.5 cents per mile

EXEMPTIONS (R.C. 5728.01, 5728.13):

1. Vehicles owned and operated by the U.S. Government, the State of Ohio, or any political subdivisions thereof are exempt from the tax;
2. Vehicles owned by nonresidents of Ohio are exempt from tax while engaged solely in interstate transportation of household goods in Ohio, provided the owners are residents of a state which grants reciprocity to Ohio;
3. Miles driven on the Ohio Turnpike.

PAYMENT DATES (R.C. 5728.08):

January 20 April 20 July 20 October 20	Return and payment due for preceding three months.

DISPOSITION OF REVENUE (R.C. 5728.08):

1. General Revenue Fund -- amount equal to appropriations for administration of the tax.
2. Balance to specified highway bond retirement funds as long as needed; thereafter, all to the supplementary highway construction fund.

OHIO REVISED CODE CITATIONS:

Chapter 5728.

Table 22

HIGHWAY USE TAX LIABILITY BY TYPE OF PERMIT HOLDERS,
FISCAL YEARS 1977 - 1982[a]

Permit Holders	1977	1978	1980	1981	1982
Ohio	$18,826,624	$19,800,342	$19,343,920	$18,516,955	$16,948,851
Foreign	24,759,717	26,352,416	28,080,142	28,218,529	25,949,562
Unidentified	692,086	878,204	1,526[b]	1,441,727	1,025,725
Total	$44,278,427	$47,030,962	$47,425,588	$48,177,211	$43,924,138

(a) 1979 data are not available.
(b) Unidentified permit holders data for the final three quarters of FY 1980 are not available.

Table 23

HIGHWAY USE TAX LIABILITY BY TYPE OF PERMIT HOLDER
AND TAX RATE CLASSIFICATION, FISCAL YEAR 1982

	Tax Levied By Tax Rate Per Mile					
Permit Holders	0.5 Cent	1 Cent	1.5 Cents	2 Cents	2.5 Cents	Total Tax Levied
Ohio	$ 943,680	$342,299	$1,498,284	$13,425,780	$738,808	$16,948,051
Foreign	107,635	354,549	1,739,816	22,372,918	1,374,644	25,949,562
Unidentified	3,329	7,545	39,181	966,390	9,280	1,025,725
Total	$1,054,644	$704,393	$3,277,281	$36,765,088	$2,122,732	$43,924,138
Fees From New Permits[a]						292,880
Grand Total						$44,217,018

(a) Total number of new permits issued: 146,440 (permit fee is two dollars).

Table 24

AVERAGE NUMBER OF HIGHWAY USE TAX PERMITS AND TOTAL MILEAGE
SUBJECT TO TAX BY TAX, RATE CLASSIFICATION, FISCAL YEAR 1982

	Tax Rate Per Mile					
Permit Holders	0.5 Cent	1 Cent	1.5 Cents	2 Cents	2.5 Cents	Total
Ohio	13,275	4,298	7,379	44,077	3,817	72,846
Foreign	2,535	4,921	15,495	166,938	8,782	198,671
Unidentified	78	102	294	16,679	74	17,227
Total	15,888	9,321	23,168	227,694	12,673	288,744
Mileage						
Ohio	188,736,066	34,229,879	99,885,599	671,288,989	29,552,302	1,023,692,835
Foreign	21,526,987	35,454,907	115,987,745	1,118,645,884	54,985,747	1,346,601,270
Unidentified	665,764	754,487	2,612,079	48,319,505	371,212	52,723,047
Total	210,928,817	70,439,273	218,485,423	1,838,254,378	84,909,261	2,423,017,152

PERSONAL INCOME TAX

Ohio's personal income tax law is based closely on federal law to facilitate compliance by the taxpayer and administration by the state. The starting point for computation of the Ohio income tax is federal adjusted gross income as reported on the federal income tax return. After adding and subtracting certain adjustments and subtracting personal exemptions of $650 per person, Ohio's graduated tax rates are applied to the remaining figure (Ohio taxable income) to calculate the tax liability. From this figure, certain credits may be subtracted to arrive at the final personal income tax liability.

Am. Sub. S.B. 530, effective June 25, 1982, created two new marginal income tax brackets and rates for tax years 1982 and 1983. One bracket will be for taxable income between $80,000 and $100,000 at a 4% rate. The other one will be for taxable income over $100,000 at a 5% rate. In addition, a 25% surcharge will be imposed for tax year 1982 and a 12.5% surcharge will be imposed for tax year 1983. The surcharge for tax year 1982 will start July 1, 1982 through withholding at a 150% rate to make up for the first 6 months of the year when no additional tax was withheld. This 150% withholding rate will continue through March of 1983.

Figure 3 illustrates the percentage distribution by income class of 1980 tax returns, federal adjusted gross income, and income tax liability. Tables 25 through 35 also include information compiled from the 1980 Ohio personal income tax returns (due by April 15, 1981). Table 25 contains detailed data from the returns categorized into twenty-nine income classes. The data show that individuals filed 4,044,015 tax returns which reported total federal adjusted gross income of $74.4 billion, an average of $18,398 per return. After making certain additions and subtracting deductions and personal exemptions, taxpayers reported total Ohio taxable income of about $64.8 billion, an average of $16,030 per return. Applying the tax rates to this income and then subtracting allowable tax credits yields a figure for total Ohio personal income tax liability of $1,048.9 million. This amounts to an average income tax liability of $259.38 per return.

Tables 26 and 27 show a comparison of the 1979 returns and the 1980 returns grouped by major income classes. Note that total tax liability increased from $943.5 million in 1979 to $1,048.9 million in 1980, a percentage increase of 11.2%.

Table 28 is a simplified version of Table 25 showing some of the major data categorized into just eight income classes. Tables 29, 30, and 31 show tax returns by the same eight income classes, but by filing status -- married joint, married separate, and single. Table 32 classifies the number of returns and tax liability by Ohio taxable income classes rather than federal adjusted gross income classes. The "Ohio taxable income" figure is the amount to which the graduated tax rates of 0.5% to 3.5% are directly applied.

Table 33 contains information on the joint filer credit. A joint return filed by a husband and wife each earning at least $500 of wage income is entitled to a joint filer credit of from 5% to 20% of the tax liability. Table 33 indicates that this credit was claimed by 999,415 taxpayers and reduced their tax liability by approximately $29.0 million, an average of $28.92 per return.

Table 34 indicates the number of returns filed, income, and tax liability for residents of each of Ohio's eighty-eight counties. Cuyahoga County had the largest number of returns filed with 573,541 returns reporting $11.4 billion of income, and $170.3 million of income tax liability. Residents of the eleven largest Ohio counties filed 2.2 million out of the state total of 4.0 million income tax returns. Their combined tax liability was $656 million, over 63% of the total for all eighty-eight counties. Table 35 indicates the average income per return for residents of each county. Geauga County taxpayers reported the highest figure with an average income per return of $22,700, while Adams County had the lowest average income, $13,800 per return.

Three additional tables indicate income tax data gathered from sources other than the 1980 tax returns. Table 36 compares one-half of the 1981 income tax collections in each county with the amount of state school aid distributed to the county. Under the Ohio Constitution and state law, at least one-half of income tax collections must be returned to the county of origin. This table indicates that this requirement was exceeded in every county.

Table 37 shows the number of returns and amount of tax dollars processed by the Income Tax Division of the Ohio Department of Taxation during the last two fiscal years. During fiscal year 1982, the Income Tax Division processed over 5.6 million personal income tax returns for all types, including about 4.6 million annual and quarterly estimated individual taxpayer returns and over one million employer withholding returns. Net collections during fiscal year 1982 were $1,243,618,433 after payment of $118,463,920 in refunds. Table 38 shows the monthly distribution of these collections and refunds.

TAX BASE (R.C. 5747.01):

The amount reported as Federal Adjusted Gross Income to the U.S. Internal Revenue Service plus or minus adjustments (see **"General Computation of Tax Liability"** section), according to Ohio income tax law.

RATES (R.C. 5747.02):

Ohio Taxable Income	Tax
0 - $ 5,000	0.5% of Ohio Taxable Income
$ 5,000 - 10,000	$ 25 plus 1.0% of excess over $ 5,000
10,000 - 15,000	$ 75 plus 2.0% of excess over $ 10,000
15,000 - 20,000	$ 175 plus 2.5% of excess over $ 15,000
20,000 - 40,000	$ 300 plus 3.0% of excess over $ 20,000
40,000 - 80,000	$ 900 plus 3.5% of excess over $ 40,000
* 80,000 - 100,000	$2,300 plus 4.0% of excess over $ 80,000
* Over 100,000	$3,100 plus 5.0% of excess over $100,000

*Temporary brackets for tax year 1982 and 1983. In addition, a 25% surcharge is imposed for tax year 1982 and a 12.5% surcharge is imposed for tax year 1983.

SPECIAL PROVISIONS:

1. **Joint Filer Credit (R.C. 5747.05):** A husband and wife who file a joint return are allowed a tax credit if each spouse earns at least $500 of wage income. The credit is a percentage of the tax as shown below:

Ohio Taxable Income	Amount of Credit
$10,000 or less	20% of tax after all other credits
$10,000 - $20,000	12% of tax after all other credits
More than $20,000	5% of tax after all other credits

2. **Military Pay (R.C. 5747.01):** Military pay is taxable (except combat zone pay) no matter where the individual is stationed provided domicile (legal residence) is Ohio. If domicile is in another state, service personnel are not required to pay the Ohio income tax, even though stationed in Ohio.

3. **Reciprocity (R.C. 5747.05):**

   a) An individual who is a resident of Ohio or one of the five surrounding states and whose income consists solely of compensation from any of those states need only file with the state of residence.
   b) Individuals domiciled in Ohio for only a part of the year can deduct all income received during the time not domiciled in Ohio.

4. **Senior Citizen Credit (R.C. 5747.05):** A taxpayer 65 years of age or older during the taxable year is allowed a $25 credit against the amount of Ohio income tax due. Only one $25 credit is allowed for each return.

GENERAL COMPUTATION OF TAX LIABILITY:

FEDERAL ADJUSTED GROSS INCOME

(taken directly from federal return)

Add

1. State and local bond interest (except Ohio).
2. Federal bond interest exempt from federal tax but subject to state tax.
3. Accumulation distribution from a complex trust.

Subtract

1. Federal bond interest.
2. Subchapter "S" income (corporation income taxed to shareholders under federal law).
3. Income or income yield from ownership of property on which current non-delinquent intangibles tax has been paid.
4. Up to $4,000 of retirement benefits.
5. Disability and survivors benefits included in federal adjusted gross income.
6. Income earned while a resident of another state.
7. Wages and salaries paid to employees under the federal "targeted jobs credit".

OHIO ADJUSTED GROSS INCOME

Subtract:

Personal exemptions of $650 per person

OHIO TAXABLE INCOME

Apply:

Graduated rates of 0.5% to 5.0% plus a 25% surcharge for calendar year 1982

TAX BEFORE CREDITS

Subtract:

1. Joint filer credit for two working spouses earning at least $500 apiece in wage income.
2. Senior citizen credit of $25 per return.
3. Credit for income taxed by another state.
4. Home improvements credit.
5. Solar, wind, and hydrothermal energy system credit.
6. New equipment purchase credit.

OHIO PERSONAL INCOME TAX LIABILITY

SPECIAL PROVISIONS (cont'd from page 49):

5. **Home Improvement Credit (R.C. 5747.05):** A homeowner may claim a credit equal to 5% of the cost of home improvements. The home improvements must cost at least $300 and the credit cannot exceed $65. The credit may be claimed only once every three years.

6. **New Equipment Credit (R.C. 5747.05):** Individual taxpayers are allowed a credit against the personal income tax equal to the difference between: (1) the tangible property taxes paid in the taxable year on machinery and equipment used in manufacturing or refining and acquired on or after January 1, 1978; and (2) the tangible property taxes that would have been paid on such property if it had been assessed at 20% of true value. If the credit exceeds the income tax liability in any year, the excess credit may be carried forward to offset liability for the following three years.

7. **Solar, Wind, or Hydrothermal Energy System Credit (R.C. 5747.05):** A homeowner may claim a credit equal to 10% of the cost of purchase and installation of a solar, wind, or hydrothermal energy system. The credit cannot exceed the tax liability. Any unused credit can be carried forward to the succeeding two taxable years. No credit can exceed $1,000 and the credit can only be claimed once for a given building or structure.

TAXPAYER (R.C. 5747.01):

Every individual and every estate residing in Ohio or earning or receiving income in Ohio.

PAYMENT DATES (R.C. 5747.07-5747.09):

For Individuals:

1. Calendar year taxpayer files an annual return between January 1 and April 15.
2. Fiscal year taxpayer files before the 15th day of the fourth month after the end of the fiscal year.
3. Taxpayers making quarterly declarations must file an annual estimated return on or before April 15 and quarterly payments of the tax must be made on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

For Employers:

1. If the employer withholds less than $500 during the quarter, payment is made within 30 days after the last day of the quarter ending March, June, September, and December.
2. If the amount to be withheld during the quarter exceeds $500, monthly remittances are made within 10 banking days after the close of each calendar month. The only exception is for the month of June where payment for the first 20 days of the month is due within 3 banking days of June 20. Amounts withheld for the last 10 days of June are due within 10 banking days after the month of July.

DISPOSITION OF REVENUE (R.C. 5747.03) (See "Recent Legislation" for changes effective for fiscal year 1983):

1. General Revenue Fund (3.5% is subsequently transferred to Local Government Fund).
2. The Ohio Constitution requires that at least 50% of income tax collections be returned to the county of origin. This provision is met through General Revenue Fund allocations to education.

OHIO REVISED CODE CITATIONS:

Chapter 5747.

RECENT LEGISLATION:

Am. Sub. S.B. 530, effective June 25, 1982.

R.C. 5747.02: The act creates two new income tax brackets and rates that will be in effect until 1984. In addition, the act adds a 25% surcharge for tax year 1982 and a 12.5% surcharge for tax year 1983.

SECTION 9: The 3.5% of personal income tax collections normally credited to the local government fund will not apply to the additional money collected from the surcharge and the new rate brackets.

Am. Sub. H.B. 38, effective June 23, 1982.

R.C. 5747.10: Provides that amended returns required as a result of federal adjustments are subject to assessment.

R.C. 5747.11: Allows a taxpayer to apply for a refund after expiration of the 4 year statute of limitations if the refund is due to a result of federal adjustment. The refund application is due within 60 days after final determination of tax liability. This amendment applies to refund applications pertaining to tax payments made on or after July 1, 1979.

R.C. 5747.12: Provides that income tax refunds be reduced by any tax, penalty, or interest owed to the state by the taxpayer. The amendment applies to refunds certified by the Tax Commissioner on and after July 1, 1983.

Am. Sub. H.B. 366, effective July 9, 1982.

R.C. 5703.47: Requires that the Tax Commissioner determine the discount rate on ninety-day commercial paper at the Cleveland federal reserve bank as of October 15th of each year. This rate (rounded to the nearest whole number) is used to determine the interest on underpayments and overpayments for periods in the following calendar year.

R.C. 5747.13: Eliminates, under certain circumstances, the requirement that assessments be paid before the taxpayer or employer files a petition for reassessment. Interest charged in underpayments and paid on overpayments is determined using the interest prescribed by Section 5703.47.

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5747.03: Eliminates the property tax relief distribution back to the counties for comparison with the requirement that at least 50% of income tax collections be returned to the county of origin.

FIGURE 3

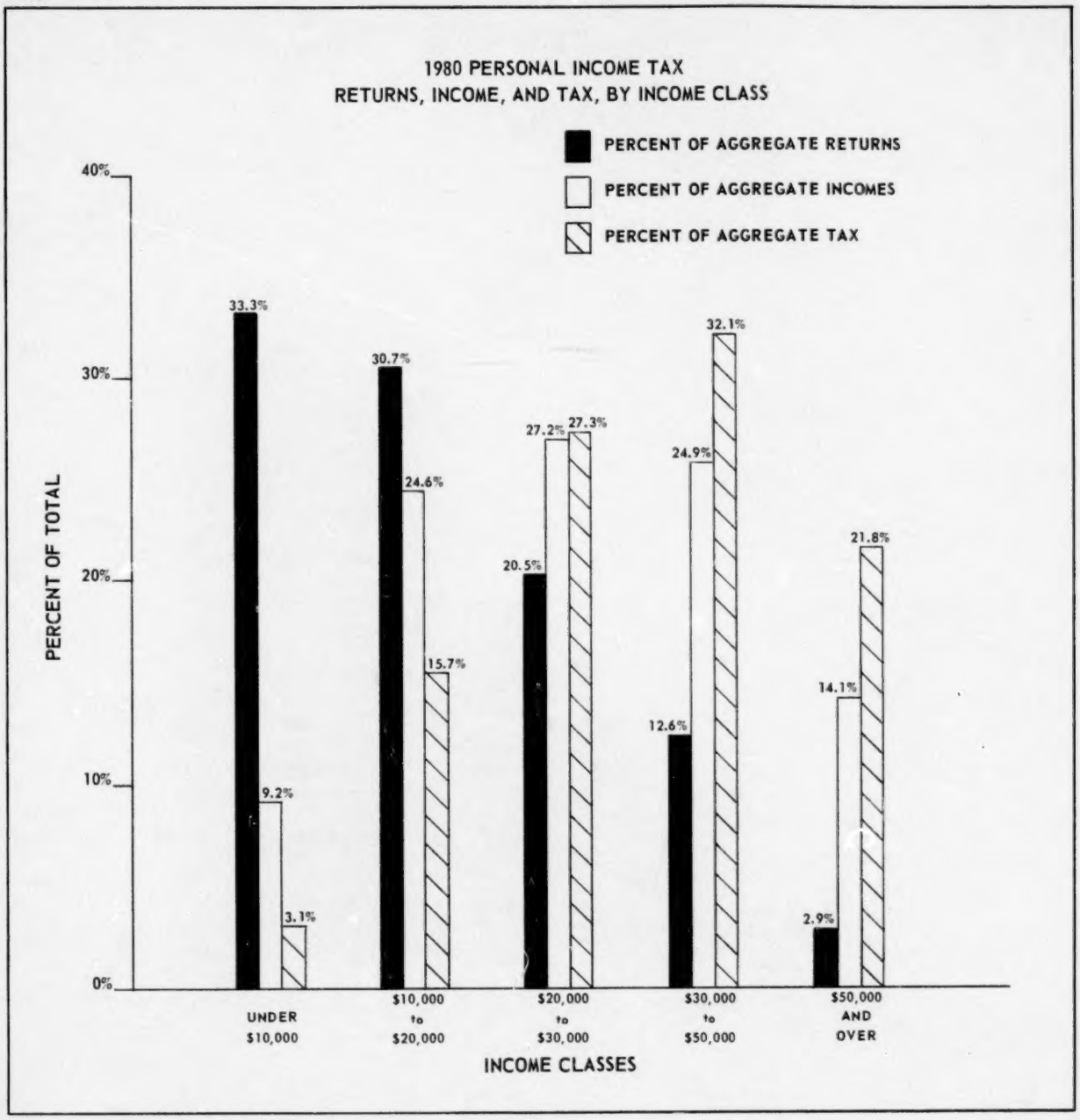


Figure 3 shows the percentage distribution by income class of 1980 personal income tax returns, federal adjusted gross income, and tax liability. Taxpayers earning under $10,000 filed 33.3% of all income tax returns, but earned only 9.2% of total income and paid just 3.1% of the total tax liability. The next largest of taxpayers, those earning $10,000 to $20,000, earned 24.6% of total income and paid 15.7% of the tax. These two groups combined (all those earning less than $20,000) represented 64% of all the taxpayers, reported 33.8% of the income, but paid just 18.8% of the total income tax.

In contrast, taxpayers earning more than $50,000, comprised only 2.9% of all tax returns, but reported 14.1% of total income and paid 21.8% of the entire income tax liability. Additional detail on the income distribution of tax returns, income, and tax liability, as well as information on filing status and county statistics, are shown in tables on the following pages.

Table 25

1980 OHIO PERSONAL INCOME TAX RETURNS BY INCOME CLASS[a]

Income Class Federal Adjusted Gross Income	Number of Returns	Total Federal Adjusted Gross Income	Ohio Adjusted Gross Income	Reported Value of Personal Exemptions	Ohio Taxable Income	Tax Before Credits	Joint Filer Credit	Tax Liability After All Credits
0 - $ 3,000	95,048	$ 56,224,374	$ 55,205,294	$ 73,371,629	$ 10,325,519	$ 324,036	$ 6,113	$ 334,920
$ 1,000 - 2,000	150,231	225,826,944	218,108,178	116,277,571	114,120,973	775,727	3,555	304,626
2,000 - 3,000	147,026	366,840,758	352,036,660	120,706,302	238,677,610	1,490,093	12,171	1,444,510
3,000 - 4,000	139,869	488,852,332	465,186,679	123,901,172	347,492,552	2,053,882	12,816	1,978,413
4,000 - 5,000	132,078	594,156,366	557,361,759	127,399,321	437,824,923	2,566,753	17,769	2,398,446
5,000 - 6,000	129,862	714,409,226	663,721,299	135,583,889	538,955,089	3,194,038	27,521	3,005,046
6,000 - 7,000	137,628	895,218,036	831,632,722	148,200,281	696,753,838	4,268,032	39,530	3,836,990
7,000 - 8,000	138,978	1,042,124,052	970,617,466	155,577,889	829,512,635	5,467,356	62,748	4,989,723
8,000 - 9,000	136,742	1,162,268,079	1,085,619,741	159,012,897	941,827,480	6,601,836	93,421	6,126,073
9,000 - 10,000	137,184	1,303,505,551	1,221,195,442	164,409,268	1,072,602,531	7,902,393	145,064	7,431,599
10,000 - 11,000	138,263	1,451,855,695	1,366,206,211	169,722,580	1,211,513,326	9,708,737	158,623	8,984,008
11,000 - 12,000	137,901	1,586,082,583	1,497,501,280	174,187,141	1,339,151,504	11,267,557	188,860	10,535,419
12,000 - 13,000	134,613	1,682,442,790	1,593,259,297	177,408,971	1,430,886,034	13,197,203	224,726	12,349,962
13,000 - 14,000	129,933	1,753,676,118	1,666,318,387	177,798,863	1,503,221,749	14,826,736	258,351	13,876,713
14,000 - 15,000	125,544	1,819,894,936	1,731,823,613	179,588,208	1,567,252,285	16,440,461	323,294	15,669,256
15,000 - 16,000	122,684	1,901,466,822	1,816,909,814	183,480,523	1,646,875,892	18,561,827	402,037	17,568,516
16,000 - 17,000	118,922	1,961,947,375	1,878,018,926	184,209,533	1,707,872,691	20,209,181	487,105	18,927,838
17,000 - 18,000	115,481	2,020,560,934	1,939,341,645	186,249,426	1,765,563,469	21,940,087	600,803	20,793,510
18,000 - 19,000	111,051	2,054,150,494	1,972,726,847	185,677,429	1,800,057,991	23,654,272	726,829	22,231,446
19,000 - 20,000	108,885	2,123,329,531	2,041,109,983	188,549,889	1,865,127,050	25,423,638	868,369	24,122,414
20,000 - 25,000	479,903	10,744,973,017	10,366,013,323	902,069,373	9,519,352,875	146,213,365	4,183,786	139,016,760
25,000 - 30,000	350,483	9,592,843,582	9,257,252,191	718,917,181	8,583,907,525	153,952,482	4,004,457	147,500,397
30,000 - 35,000	237,322	7,667,440,068	7,385,746,176	504,965,091	6,915,676,241	137,354,570	4,165,995	130,936,183
35,000 - 40,000	142,353	5,306,578,280	5,075,788,508	305,954,432	4,797,173,243	101,534,379	3,390,790	96,616,238
40,000 - 45,000	81,434	3,442,540,052	3,257,637,157	175,620,300	3,102,861,589	68,655,869	2,324,278	65,358,494
45,000 - 50,000	46,604	2,203,346,989	2,056,226,111	100,166,071	1,969,389,046	45,956,629	1,475,626	43,664,096
50,000 - 100,000	95,229	6,136,549,496	5,504,903,354	206,401,566	5,350,257,192	139,569,715	3,250,578	133,134,903
100,000 - 200,000	17,919	2,376,322,644	2,023,045,134	39,758,190	2,000,217,469	60,591,996	914,849	57,477,540
$200,000 & Above	4,845	2,029,510,426	1,478,616,609	10,059,572	1,522,724,027	48,480,320	529,423	37,820,625
Total	4,044,015[b]	$74,704,937,550	$70,329,129,806	$6,095,224,558	$64,827,174,348	$1,112,183,170	$28,899,487	$1,048,934,664

(a) As reported on returns due April 15, 1981.

(b) Does not include returns filed solely for informational purposes.

Table 26

COMPARISON OF 1979 AND 1980 PERSONAL INCOME TAX RETURNS

Income Class (Federal Adjusted Gross Income)	Number of Returns		Federal Adjusted Gross Income		Ohio Taxable Income		Joint Filer Credit		Ohio Income Tax	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
0 - $ 5,000	689,747	664,252	$ 1,803,419,226	$ 1,731,900,774	$ 1,212,924,543	$ 1,148,441,577	$ 55,757	$ 52,424	$ 7,053,744	$ 6,960,915
$ 5,000 - 10,000	726,732	680,394	5,460,158,011	5,117,524,944	4,416,332,201	4,079,651,573	351,551	368,284	27,180,391	25,389,431
10,000 - 15,000	689,297	666,254	8,582,273,727	8,293,952,122	7,351,090,223	7,052,024,898	1,261,751	1,153,854	62,900,002	61,415,358
15,000 - 20,000	612,457	577,023	10,690,505,926	10,061,455,156	9,343,921,756	8,785,497,093	3,718,413	3,085,143	108,450,677	103,643,724
20,000 - 25,000	497,242	479,903	11,122,096,469	10,744,973,017	9,841,923,994	9,519,352,875	4,968,932	4,183,786	141,583,721	139,016,760
25,000 - 50,000	755,074	858,196	24,341,905,732	28,212,748,971	21,849,396,320	25,369,007,644	13,176,440	15,361,146	409,908,506	484,075,408
50,000 - 100,000	74,249	95,229	4,837,212,676	6,136,549,496	4,217,552,729	5,350,257,192	2,253,495	3,250,578	105,508,276	133,134,903
100,000 and Over	19,457	22,764	3,639,144,606	4,405,833,070	2,930,947,567	3,522,941,496	1,190,037	1,444,273	80,891,964	95,298,165
Total	4,064,255	4,044,015	$70,476,716,373	$74,704,937,550	$61,164,089,333	$64,827,174,348	$26,976,376	$28,899,488	$943,477,281	$1,048,934,664

Table 27

COMPARISON OF PERCENTAGE DISTRIBUTIONS OF 1979 AND 1980 PERSONAL INCOME TAX RETURNS

Income Class (Federal Adjusted Gross Income)	Number Of Returns		Federal Adjusted Gross Income		Ohio Taxable Income		Joint Filer Credit		Ohio Income Tax	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
0 - $ 5,000	17.0%	16.4%	2.6%	2.3%	2.0%	1.8%	0.2%	0.2%	0.7%	0.7%
$ 5,000 - 10,000	17.9	16.7	7.7	6.9	7.2	6.3	1.3	1.3	2.9	2.4
10,000 - 15,000	17.0	16.5	12.2	11.0	12.1	10.9	4.7	4.0	6.7	5.9
15,000 - 20,000	15.0	14.3	15.2	13.5	15.3	13.6	13.8	10.6	11.5	9.8
20,000 - 25,000	12.2	11.9	15.8	14.4	16.0	14.7	18.4	14.5	15.0	13.3
25,000 - 50,000	18.6	21.2	34.5	37.8	35.7	39.0	48.8	53.2	43.4	46.1
50,000 - 100,000	1.8	2.4	6.8	8.2	6.9	8.3	8.4	11.2	11.2	12.7
100,000 and Over	0.5	0.6	5.2	5.9	4.8	5.4	4.4	5.0	8.6	9.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 28

1980 OHIO PERSONAL INCOME TAX RETURNS FOR ALL FILING STATUS CATEGORIES[a]

Income Class (Federal Adjusted Gross Income)	Number Of Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[b]
0 - $ 5,000	664,252	$ 1,731,900,774	$ 1,148,441,577	$ 6,960,915	0.40%
$ 5,000 - 10,000	680,394	5,117,524,944	4,079,651,573	25,389,431	0.50
10,000 - 15,000	666,254	8,293,952,122	7,052,024,898	61,415,358	0.74
15,000 - 20,000	577,023	10,061,455,156	8,785,497,093	103,643,724	1.03
20,000 - 25,000	479,903	10,744,973,017	9,519,352,875	139,016,760	1.29
25,000 - 50,000	858,196	28,212,748,971	25,369,007,644	484,075,308	1.72
50,000 - 100,000	95,229	6,136,549,496	5,350,257,192	133,134,903	2.17
100,000 and Over	22,764	4,405,833,070	3,522,941,496	95,298,165	2.16
Total	4,044,015	$74,704,937,550	$64,827,174,348	$1,048,934,664	1.40%

(a) Column totals from tables 28, 29, and 30 will not add to figures presented on this table due to 69,338 returns for which filing status was not indicated, and which have not yet been verified.
(b) Ohio income tax divided by federal adjusted gross income.

Table 29

1980 OHIO PERSONAL INCOME TAX RETURNS CLAIMING MARRIED JOINT FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number of Joint Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[a]
0 - $ 5,000	75,829	$ 228,663,964	$ 90,081,561	$ 680,702	0.30%
$ 5,000 - 10,000	182,682	1,405,083,914	927,904,463	4,637,352	0.33
10,000 - 15,000	251,722	3,175,033,919	2,470,841,643	18,710,179	0.59
15,000 - 20,000	317,538	5,581,810,306	4,693,856,641	51,918,398	0.93
20,000 - 25,000	344,866	7,749,118,076	6,775,260,946	96,811,830	1.25
25,000 - 50,000	754,553	24,985,708,552	22,518,146,225	430,296,187	1.72
50,000 - 100,000	86,286	5,555,129,567	4,903,025,991	122,367,460	2.20
100,000 and Over	20,493	3,949,897,241	3,222,140,540	87,749,908	2.22
Total	2,033,969	$52,630,445,539	$45,601,258,010	$813,172,016	1.55%

(a) Ohio income tax divided by federal adjusted gross income.

Table 30

1980 OHIO PERSONAL INCOME TAX RETURNS CLAIMING
SINGLE FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number Of Single Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[a]
0 - $ 5,000	560,980	$ 1,428,858,648	$ 1,009,187,041	$ 5,909,033	0.41%
$ 5,000 - 10,000	453,850	3,371,282,586	2,865,530,387	18,766,611	0.56
10,000 - 15,000	341,237	4,197,745,274	3,746,773,454	34,812,275	0.83
15,000 - 20,000	195,200	3,366,506,791	3,064,544,685	38,793,949	1.15
20,000 - 25,000	100,455	2,229,685,601	2,035,544,822	31,302,825	1.40
25,000 - 50,000	77,397	2,406,234,018	2,104,159,695	39,535,633	1.64
50,000 - 100,000	7,157	468,234,951	349,521,418	8,416,859	1.80
100,000 and Over	1,936	389,870,900	252,438,767	6,408,693	1.64
Total	1,738,212	$17,858,418,769	$15,427,700,269	$183,945,878	1.03%

(a) Ohio income tax divided by federal adjusted gross income.

Table 31

1980 OHIO PERSONAL INCOME TAX RETURNS CLAIMING
MARRIED SEPARATE FILING STATUS

Income Class (Federal Adjusted Gross Income)	Number Of Married Filing Separate Returns	Federal Adjusted Gross Income	Ohio Taxable Income	Ohio Income Tax	Effective Rate[a]
0 - $ 5,000	13,745	$ 39,396,787	$ 26,282,982	$ 165,998	0.42%
$ 5,000 - 10,000	31,227	246,696,583	211,826,609	1,467,342	0.59
10,000 - 15,000	62,255	784,028,916	718,317,108	6,724,374	0.86
15,000 - 20,000	55,093	953,158,464	888,311,427	11,191,797	1.17
20,000 - 25,000	27,121	599,181,121	560,813,026	8,649,391	1.44
25,000 - 50,000	12,606	371,001,119	342,444,745	6,402,714	1.73
50,000 - 100,000	367	23,561,549	18,888,170	433,342	1.84
100,000 and Over	82	22,548,535	11,394,102	188,156	0.83
Total	202,496	$3,039,573,074	$2,778,278,170	$35,223,114	1.16%

(a) Ohio income tax divided by federal adjusted gross income.

Table 32

1980 OHIO PERSONAL INCOME TAX RETURNS ACCORDING TO OHIO TAXABLE INCOME CLASS

Ohio Taxable Income Class	Number of Returns		Joint Filer Credit	Ohio Income Tax	
	Number	Percent of Total		Amount	Percent of Total
0 - $ 5,000	902,184	22.31%	$ 225,157	$ 12,246,948	1.17%
$ 5,000 - 10,000	718,137	17.76	749,561	34,701,505	3.30
10,000 - 15,000	661,974	16.37	1,806,645	79,859,563	7.61
15,000 - 20,000	563,237	13.93	4,537,653	126,518,715	12.06
20,000 - 25,000	429,415	10.62	3,470,134	153,199,409	14.61
25,000 - 30,000	296,900	7.34	4,191,160	147,616,913	14.07
30,000 - 40,000	291,022	7.20	6,794,789	199,807,616	19.05
40,000 - 50,000	92,795	2.29	3,081,064	91,149,357	8.69
50,000 - 100,000	71,322	1.76	2,741,142	118,687,262	11.32
100,000 and Over	16,979	0.42	1,302,182	85,147,374	8.12
Total	4,044,015	100.00%	$28,899,487	$1,048,934,662	100.00%

Table 33

1980 OHIO PERSONAL INCOME TAX RETURNS CLAIMING THE JOINT FILER CREDIT, BY INCOME CLASS(a)

Income Class (Federal Adjusted Gross Income)	Number Of Returns Claiming Credit	Federal Adjusted Gross Income	Ohio Taxable Income	Joint Filer Credit	Ohio Income Tax
0 - $ 5,000	10,497	$ 37,244,550	$ 18,939,772	$ 52,424	$ 172,045
$ 5,000 - 10,000	48,662	383,138,014	273,550,504	368,284	1,332,733
10,000 - 15,000	92,824	1,179,712,811	949,244,127	1,153,854	6,620,355
15,000 - 20,000	141,157	2,491,222,617	2,134,528,249	3,085,143	22,118,537
20,000 - 25,000	175,994	3,966,362,365	3,517,778,545	4,183,786	48,455,658
25,000 - 50,000	480,597	16,106,681,706	14,768,338,780	15,361,146	280,143,192
50,000 - 100,000	43,370	2,696,026,757	2,466,835,685	3,250,578	60,247,767
100,000 and Over	6,314	1,109,662,621	981,970,952	1,444,273	27,060,014
Total	999,415	$27,970,051,441	$25,111,186,544	$28,899,488	$446,150,281

(a) A husband and wife who file a joint return are allowed a tax credit if each spouse earns at least $500 of wage income. The credit is graduated based on income.

Table 34

1980 OHIO PERSONAL INCOME TAX RETURNS, BY COUNTY

County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax	County	Number of Returns	Federal Adjusted Gross Income	Ohio Income Tax
Adams	6,472	$ 89,314,490	$ 976,291	Lucas	170,525	$ 3,278,424,610	$ 48,452,289
Allen	40,427	731,407,814	10,366,415	Madison	11,312	186,612,209	2,442,179
Ashland	16,738	278,456,779	3,576,908	Mahoning	105,442	1,832,925,661	24,804,600
Ashtabula	35,771	597,899,011	7,801,137	Marion	24,192	421,467,829	5,629,293
Athens	14,706	224,206,068	2,804,538	Medina	42,623	848,812,036	12,617,568
Auglaize	16,380	275,835,187	3,576,864	Meigs	6,869	108,884,083	1,387,054
Belmont	29,134	499,099,051	6,934,030	Mercer	15,003	240,971,645	2,956,879
Brown	10,435	165,926,013	2,037,243	Miami	34,791	628,641,996	8,536,386
Butler	91,709	1,813,388,399	26,805,925	Monroe	5,571	99,233,742	1,313,089
Carroll	8,697	140,851,285	1,768,096	Montgomery	213,612	4,080,339,291	58,861,822
Champaign	12,319	199,017,510	2,502,496	Morgan	4,314	66,386,127	808,397
Clark	52,514	903,103,736	11,958,757	Morrow	8,796	140,877,309	1,690,196
Clermont	45,738	839,558,350	11,656,042	Muskingum	29,088	476,699,795	6,266,741
Clinton	12,246	197,319,146	2,533,157	Noble	3,790	58,075,159	728,248
Columbiana	39,739	680,878,088	9,047,548	Ottawa	15,827	277,497,054	3,790,882
Coshocton	12,498	211,656,216	2,756,132	Paulding	7,372	129,709,174	1,743,016
Crawford	18,623	307,750,358	4,041,805	Perry	9,667	149,419,209	1,832,888
Cuyahoga	573,541	11,443,095,776	170,317,285	Pickaway	14,667	247,309,574	3,242,720
Darke	19,817	316,077,821	3,975,647	Pike	6,431	96,078,935	1,146,169
Defiance	14,493	261,252,000	3,627,906	Portage	48,187	848,748,768	11,693,216
Delaware	19,439	377,578,106	5,451,404	Preble	13,497	226,636,032	2,909,194
Erie	31,084	565,772,649	8,179,708	Putnam	12,316	211,030,945	2,798,945
Fairfield	33,510	617,335,523	8,512,677	Richland	47,744	843,756,433	11,471,346
Fayette	9,863	149,352,403	1,845,887	Ross	22,059	374,704,462	4,997,553
Franklin	325,812	6,122,969,933	88,306,702	Sandusky	24,178	424,057,555	5,686,202
Fulton	14,360	252,892,191	3,434,101	Scioto	24,154	375,369,769	4,707,814
Gallia	9,394	154,177,650	2,009,630	Seneca	22,792	379,530,311	4,770,678
Geauga	27,989	635,361,470	10,360,231	Shelby	16,430	272,712,930	3,474,927
Greene	46,051	884,327,065	12,465,161	Stark	143,175	2,627,024,895	36,957,677
Guernsey	14,365	223,905,221	2,786,235	Summit	198,430	3,722,800,572	53,827,656
Hamilton	325,634	6,532,708,790	96,484,724	Trumbull	90,712	1,726,198,615	25,682,217
Hancock	25,424	490,462,828	6,997,032	Tuscarawas	31,334	508,674,435	6,554,485
Hardin	10,467	168,778,001	2,162,639	Union	10,741	188,290,294	2,504,386
Harrison	6,054	104,008,556	1,326,693	Van Wert	12,012	205,760,505	2,641,215
Henry	11,094	194,073,427	2,564,265	Vinton	3,137	44,321,517	503,446
Highland	11,029	158,557,422	1,841,039	Warren	35,013	659,720,524	9,486,348
Hocking	7,674	114,742,244	1,354,578	Washington	22,485	402,374,483	5,097,520
Holmes	9,344	129,838,897	1,517,543	Wayne	36,588	640,386,770	8,558,386
Huron	20,147	332,202,530	4,308,848	Williams	14,106	235,277,102	2,982,911
Jackson	9,184	138,003,352	1,691,595	Wood	37,990	748,553,768	11,002,664
Jefferson	31,865	602,755,597	8,936,340	Wyandot	8,554	135,520,032	1,674,398
Knox	15,400	246,618,637	2,986,936				
Lake	86,021	1,705,011,684	25,230,664	88 Cty. Totals	3,954,227	$73,358,214,750	$1,040,801,104
Lawrence	19,423	312,959,311	3,994,860	Other*	89,788	1,346,722,802	8,133,558
Licking	43,620	773,538,866	10,623,368				
Logan	13,911	217,906,870	2,677,041				
Lorain	98,546	1,806,466,278	25,453,385	State Total	4,044,015	$74,704,937,552	$1,048,934,662

*Including returns from out-of-state filers and returns not indicating county of residence.

Table 35

RANK OF COUNTIES BY AVERAGE INCOME,
AS REPORTED ON 1980 OHIO PERSONAL INCOME TAX RETURNS

County	Average Federal Adjusted Gross Income	Percent of State Average
Geauga	$22,700	122.89%
Hamilton	20,062	108.61
Cuyahoga	19,952	108.01
Medina	19,914	107.81
Lake	19,821	107.30
Butler	19,773	107.04
Wood	19,704	106.67
Delaware	19,424	105.15
Hancock	19,291	104.43
Lucas	19,225	104.08
Greene	19,203	103.96
Montgomery	19,102	103.41
Trumbull	19,029	103.02
Jefferson	18,916	102.40
Warren	18,842	102.00
Franklin	18,793	101.74
Summit	18,761	101.56
State Average	18,472	100.00
Fairfield	18,422	99.73
Clermont	18,356	99.37
Stark	18,348	99.32
Lorain	18,331	99.24
Erie	18,201	98.53
Allen	18,092	97.94
Miami	18,069	97.82
Defiance	18,026	97.59
Washington	17,895	96.88
Monroe	17,813	96.43
Licking	17,734	96.00
Richland	$17,673	95.67%
Portage	17,614	95.36
Fulton	17,611	95.34
Paulding	17,595	95.25
Sandusky	17,539	94.95
Ottawa	17,533	94.92
Union	17,530	94.90
Wayne	17,503	94.75
Henry	17,494	94.71
Marion	17,422	94.32
Mahoning	17,383	94.10
Clark	17,197	93.09
Harrison	17,180	93.01
Putnam	17,135	92.76
Columbiana	17,134	92.75
Belmont	17,131	92.74
Van Wert	17,130	92.73
Ross	16,986	91.96
Coshocton	16,935	91.68
Pickaway	16,862	91.28
Auglaize	16,840	91.17
Preble	16,792	90.91
Ashtabula	16,715	90.49
Williams	16,679	90.29
Ashland	16,636	90.06
Shelby	16,598	89.85
Seneca	16,652	90.15
Crawford	16,525	89.46
Madison	16,497	89.31
Huron	16,489	89.26
Gallia	16,412	88.85
Muskingum	$16,388	88.72%
Tuscarawas	16,234	87.88
Carroll	16,195	87.67
Champaign	16,155	87.46
Hardin	16,125	87.29
Clinton	16,113	87.23
Lawrence	16,113	87.23
Mercer	16,062	86.95
Morrow	16,016	86.70
Knox	16,014	86.69
Darke	15,950	86.35
Brown	15,901	86.09
Meigs	15,852	85.82
Wyandot	15,843	85.77
Logan	15,664	84.80
Guernsey	15,587	84.38
Scioto	15,541	84.13
Perry	15,457	83.68
Morgan	15,389	83.31
Noble	15,323	82.95
Athens	15,246	82.54
Fayette	15,143	81.98
Jackson	15,026	81.34
Hocking	14,952	80.94
Pike	14,940	80.88
Highland	14,376	77.83
Vinton	14,129	76.49
Holmes	13,895	75.22
Adams	13,800	74.71
Other[a]	14,999	81.20

(a) Includes returns from out-of-state filers and returns not indicating county.

Table 36

PERSONAL INCOME TAXES REQUIRED TO BE RETURNED TO COUNTIES OF ORIGIN AND SCHOOL FOUNDATION PAYMENTS
CALENDAR YEAR 1981, BY COUNTY*

County	Income Taxes Required To Be Returned To Counties	Actual Amount Returned for School Foundation Payments
Adams	$ 567,389	$ 2,549,247
Allen	6,024,730	10,955,468
Ashland	2,079,016	3,956,249
Ashtabula	4,533,670	11,246,708
Athens	1,630,186	6,582,911
Auglaize	2,079,016	4,425,697
Belmont	4,029,794	7,141,198
Brown	1,183,775	4,387,434
Butler	15,579,009	23,952,345
Carroll	1,027,713	2,809,588
Champaign	1,454,162	4,518,727
Clark	6,950,216	20,678,099
Clermont	6,774,192	19,157,519
Clinton	1,472,309	4,369,241
Columbiana	5,258,331	15,346,787
Coshocton	1,601,756	2,687,515
Crawford	2,348,798	4,103,024
Cuyahoga	98,985,228	100,855,152
Darke	2,310,690	7,051,164
Defiance	2,108,656	4,037,651
Delaware	3,168,427	4,370,219
Erie	4,753,851	6,105,392
Fairfield	4,947,416	11,590,017
Fayette	1,073,079	2,516,648
Franklin	51,322,112	72,795,847
Fulton	1,995,541	4,513,418
Gallia	1,168,048	3,095,113
Geauga	6,021,101	7,667,832
Greene	7,244,799	18,059,135
Guernsey	1,619,297	4,175,953
Hamilton	56,074,753	58,766,678
Hancock	4,066,693	5,665,716
Hardin	1,256,967	3,521,024
Harrison	771,238	1,782,898
Henry	1,490,455	2,207,063
Highland	1,070,055	4,317,643
Hocking	786,965	2,702,915
Holmes	881,933	1,999,898
Huron	2,504,255	6,071,059
Jackson	982,950	4,648,814
Jefferson	5,193,608	5,231,552
Knox	1,736,042	4,392,585
Lake	14,663,806	16,453,015
Lawrence	2,321,578	10,806,969
Licking	6,174,139	15,639,664
Logan	$ 1,555,784	$ 4,309,691
Lorain	14,793,253	28,551,407
Lucas	28,159,565	34,150,124
Madison	1,419,078	3,483,336
Mahoning	14,415,800	28,024,391
Marion	3,271,864	6,013,517
Medina	7,332,508	13,911,229
Meigs	806,322	3,817,391
Mercer	1,718,500	4,732,517
Miami	4,961,329	8,866,952
Monroe	763,374	1,204,202
Montgomery	34,208,491	58,303,411
Morgan	470,002	1,799,070
Morrow	982,346	4,042,102
Muskingum	3,642,058	11,475,102
Noble	423,425	1,534,747
Ottawa	2,203,019	3,208,987
Paulding	1,013,195	2,899,240
Perry	1,065,216	5,839,505
Pickaway	1,884,845	4,892,222
Pike	665,987	4,901,944
Portage	6,795,363	17,869,656
Preble	1,690,675	4,797,894
Putnam	1,626,556	4,300,546
Richland	6,666,521	12,841,226
Ross	2,504,694	7,115,820
Sandusky	3,304,528	4,891,408
Scioto	2,735,929	13,884,368
Seneca	2,772,828	4,646,762
Shelby	2,019,736	4,012,722
Stark	21,479,131	34,881,433
Summit	31,283,835	49,027,970
Trumbull	14,925,725	25,827,710
Tuscarawas	3,809,614	7,619,457
Union	1,455,372	2,183,388
Van Wert	1,535,217	1,624,036
Vinton	292,768	1,444,158
Warren	5,512,991	12,413,486
Washington	2,962,764	5,296,672
Wayne	4,974,032	9,123,762
Williams	1,733,622	3,402,307
Wood	6,393,715	7,021,268
Wyandot	973,272	1,901,729
Total	$604,892,593	$1,011,998,156

* Ohio's Constitution requires 50% of all personal income tax collections to be returned to counties of origin. Starting in calendar year 1981, this requirement is met by school foundation payments only. (See Recent Legislation.)

SOURCE: Records of the Ohio Auditor of State.

Table 37

PERSONAL INCOME TAX RETURNS FILED BY EMPLOYERS AND INDIVIDUALS DURING FISCAL YEARS 1981 AND 1982

Type of Return	1981 Number of Returns Number	1981 Number of Returns Percent	1981 Amount of Tax Payment Amount	1981 Amount of Tax Payment Percent	1982 Number of Returns Number	1982 Number of Returns Percent	1982 Amount of Tax Payment Amount	1982 Amount of Tax Payment Percent
Employer (Withholding):								
Monthly & Quarterly	878,153	15.10%	$ 991,857,671	79.86%	901,829	15.84%	$1,090,729,225	80.39%
Annual	188,589	3.24	15,267,393	1.23	189,501	3.33	14,481,504	1.07
Subtotal	1,066,742	18.34%	$1,007,125,064	81.09%	1,091,330	19.17%	$1,105,210,729	81.46%
Individual Taxpayer:								
Quarterly	379,520	6.53%	$ 71,407,654	5.75%	401,890	7.06%	$ 78,486,309	5.79%
Annual	4,369,436	75.13	163,409,202	13.16	4,200,464	73.77	173,045,501	12.75
Subtotal	4,748,956	81.66%	$ 234,816,856	18.91%	4,602,354	80.83%	$ 251,531,810	18.54%
Total	5,815,698	100.00%	$1,241,941,920	100.00%	5,693,684	100.00%	$1,356,742,539	100.00%
Other Collections:								
Attorney General			$ 1,291,177				$ 1,839,738	
Assessment Payments			2,496,340				3,316,391	
Adjustment for Bad Checks			- 174,042				183,686	
Total			$ 3,613,475				$ 5,339,814	
Tax Refunded			- 111,174,270				- 118,463,920	
Total Net Tax Collected			$1,134,381,125				$1,243,618,433	

Table 38

PERSONAL INCOME TAX COLLECTIONS, BY MONTH, FISCAL YEAR 1982

Month	Employer Withholding(a)	Individual Taxpayer(b)	Other Collections(c)	Refunds	Total
July	$ 37,311,722	$ 3,259,408	$ 417,441	$ 1,786,507	$ 39,202,064
August	118,188,620	2,483,250	369,980	896,413	120,145,437
September	80,677,848	17,083,941	473,344	1,358,373	96,876,760
October	87,678,096	3,229,631	346,082	486,941	90,766,868
November	102,546,770	2,046,902	728,509	621,040	104,701,141
December	80,546,913	3,431,176	483,790	550,609	83,911,270
January	96,288,095	26,541,293	840,338	97,564	123,572,162
February	107,849,630	4,782,171	420,895	5,891,390	107,161,306
March	88,498,035	18,892,251	319,629	28,672,967	79,036,948
April	93,828,476	70,190,970	276,522	40,674,305	123,621,663
May	98,660,846	78,315,992	366,606	9,556,538	167,786,906
June	113,135,678	21,274,823	296,678	27,871,273	106,835,906
Total	$1,105,210,729	$251,531,810	$5,339,814	$118,463,920	$1,243,618,433

(a) Monthly, Quarterly, and Annual returns.
(b) Quarterly Estimated, and Annual returns.
(c) Attorney General collections, assessments, and bad checks.

SCHOOL DISTRICT INCOME TAX

Am. Sub. H.B. 694, effective November 15, 1981 repealed the existing school district income tax and replaced it with a new school district income tax. School districts in Ohio may now impose a permanent income tax on incomes of residents and estates. The purpose of the income tax is for expenses of the school district. The rate must be a multiple of one-quarter of one percent, but there is no limit on the rate. The tax must be approved by a vote of the school district residents before implementation. The State Tax Commissioner computes the rate of tax in the current year which will produce the specified amount of money needed as determined by the local board of education. If the school board adopts the rate certified by the Commissioner (rounded to the nearest quarter of one percent), the levy will be voted on at the general election. If approved, the tax goes into effect the next calendar year. The Department of Taxation administers the tax and employer withholding is required.

TAX BASE (R.C. 5748.01):

For individuals, adjusted gross income for state income tax purposes less personal exemptions. For estates, taxable income for state income tax purposes.

RATES (R.C. 5748.02):

The rate can only be multiples of a quarter of one percent. There is no limit on the rate. The rate must be approved by the voters of the school district at a general election.

SPECIAL PROVISIONS:

1. School board must adopt a resolution proposing a tax by July 1 for the tax to take effect the next calendar year.

2. The Tax Commissioner must certify to the school board by August 1 the income tax rate that would have been in effect for the current year to produce the amount of money needed by the school district.

3. The school board must adopt a resolution by September 1, proposing an annual school district income tax at the rate set by the Tax Commissioner (rounded to the nearest quarter of one percent) for the levy to be voted on at the next general election.

TAXPAYER (R.C. 5748.01):

Every individual or estate having school district income upon which a school district income tax is imposed.

PAYMENT DATES (R.C. 5747.06-5747.09):

Individual Taxpayers:

1. Calendar year taxpayer files an annual return between January 1 and April 15.
2. Fiscal year taxpayer files before the 15th day of the fourth month after the end of the fiscal year.
3. Taxpayers making quarterly declarations must file an annual estimated return on or before April 15 and quarterly payments of the tax must be made on or before April 15, June 15, and September 15 of the current year and January 15 of the next year.

PAYMENT DATES (cont'd):

For Employers:

1. If the employer withholds on a quarterly basis for state income tax purposes, payment is made for both levels of tax within 30 days after the last day of the quarter ending March, June, September, and December.
2. If the employer withholds on a monthly basis for state purposes, remittances are made for both taxes within 10 banking days after the close of each calendar month. The only exception is for the month of June where payment for the first 20 days of the month is due within 3 banking days of June 20. Amounts withheld for the last 10 days of June are due within 10 banking days after the month of July.

ADMINISTRATION (R.C. 5747.03):

The Tax Commissioner administers the tax for school districts.

DISPOSITION OF REVENUE (R.C. 5747.03):

Collections are deposited into a School District Income Tax Fund to be distributed back to the school district less 3% retained for state administrative purposes. During the first 16 months the school district income tax is in effect, advance payments to the school district will be made on April 10, July 10, and October 10 of the first calendar year and on January 10 and April 10 of the following calendar year. Each of these advance payments will equal 90% of the amount paid into the fund during the preceding three months. On July 10 of each year, reconciliation between advance payments made to the school district and collections deposited into the School District Income Tax Fund are made. After this initial period, quarterly payments are made to the school district equal to 22.5% of the amount received by the school district during the preceding fiscal year.

OHIO REVISED CODE CITATIONS:

Chapter 5747 and 5748.

RECENT LEGISLATION:

Am. Sub. H.B. 694, effective November 15, 1981.

(See discussion of school district income tax.)

CORPORATION FRANCHISE TAX

The Ohio corporation franchise tax has two alternative tax bases: a net worth base and a net income base. Corporations are required to compute their tax liability under each base and pay the higher of the two, with a minimum tax liability of $50. A 15% surtax was imposed on the regular corporate franchise tax rates for certain corporations in tax year 1981 and the remaining corporations in tax year 1982. Net collections from the tax were $637.0 million in fiscal year 1982.

The tables in this section show data on the distribution of the corporation franchise tax among the alternative tax bases for various industrial classifications and tax liability classes. The data for these tables were taken from the franchise tax returns filed for tax year 1981. Nearly all such returns were filed in the period between January and May of 1981. Therefore, taxes from these returns were primarily collected during fiscal year 1981. The total reported liability after credits for tax year 1981 was $507.9 million. The reported liability (including surtax) before credits was $530.5 million, but property tax credits reduced the net liability to $507.9 million. About 83.9% of the total tax liability before credits was based on net income compared to 16.8% based on net worth. The remainder of the tax was either collected from the minimum tax or the proper tax base was not reported. While about 84% of the tax liability was based on net income, only about 35% of the corporations paid the tax on net income. About 36% of the corporations paid the tax based on net worth and another 28% paid the minimum tax.

The additional data on the 1981 tax returns (surtax, additional litter taxes, energy and litter credits) have required an increase in the number of tables in this section. Data on the number of corporations and the amount of tax were previously shown on the same table. Due to space limitations, these two types of data are now on separate tables.

Numerous changes were made in the corporation franchise tax law during fiscal year 1982. Some of the major changes were:

1. Corporate franchise tax rates were increased from 4% to 4.6% on the first $25,000 of net income and from 8% to 8.7% on net income over $25,000. The net worth rate was increased from 5 to 5.5 mills.
2. The exemption for financial institutions was repealed and a special rate of 6.5 mills was applied to these corporations for 1982 and 1983 (after 1983, the regular rates apply to incorporated financial institutions).
3. A 5.75% surtax was imposed on the tax liabilities for tax years 1982 and 1983.

These changes and numerous other changes in the corporation franchise tax law are explained in the **"Recent Legislation"** section.

TAX BASE (R.C. 5733.05, 5733.051):

The total value of the corporation's issued and outstanding shares of stock (corporations doing business only in Ohio), or the portion of the value of its issued and outstanding shares of stock attributable to Ohio (corporations doing business both inside and outside of Ohio) forms the base of the corporation franchise tax. Two alternative methods are provided for the measurement of this value:

1. Net Worth Base

This is determined by computing the total book value of the corporation's capital, surplus, undivided profits, and reserves (unless excluded by statute -- see **"Exemptions and Exclusions"** section). For calendar year corporations, net worth is determined as of the end of the preceding calendar year; for fiscal year corporations, net worth is determined as of the end of the fiscal year ending in the preceding calendar year. The Ohio net worth of interstate corporations is apportioned to Ohio -- 50% on the basis of property owned and used in Ohio and 50% on the basis of business done in Ohio.

TAX BASE (cont'd):

(For sales of tangible personal property, business done is determined by the final destination of the property sold; other sales are allocated according to where the income-producing activity takes place.) For interstate corporations, the formula for determining Ohio net worth is as follows:

$$\text{Taxable Value} = \frac{\text{Book Value of Ohio Property}^1}{\text{Book Value of Total Property}} \times \frac{\text{Share Value}}{2} + \frac{\text{Ohio Business}^2}{\text{Total Business}} \times \frac{\text{Share Value}}{2}$$

1 Excludes value of pollution control, coal conversion, solid waste energy conversion, thermal efficiency improvement, and energy conversion facilities.
2 Excludes sales subject to capital gains treatment.

2. Net Income Base

This is determined by the corporation's Ohio net income (equal to the Ohio portion of federal taxable income unless excluded by statute -- see **"Exemptions and Exclusions"** section). For calendar year corporations, net income is computed for the preceding calendar year; for fiscal year corporations, net income is computed for the fiscal year ending in the preceding calendar year. For corporations operating only in Ohio, the total net income of the corporation is attributable to Ohio. For interstate corporations, income is allocated or apportioned to Ohio as follows:

a) Allocated Income

The following types of income are allocated within or without Ohio on the basis of location, commercial situs, situs at time of sale, or location of business activity:

1) net rents and royalties from real and personal property;
2) capital gains and losses from the sale or other disposition of real, tangible, and intangible property;
3) dividends;
4) net patent and copyright royalties (not representing principal source of gross receipts);
5) technical assistance fees.

b) Apportioned Income

Income from all non-allocated sources is apportioned to Ohio according to a three-factor formula with equally-weighted property, payroll, and sales factors as follows (unless Tax Commissioner approves or requires alternative method of apportionment):

$$\text{Ohio Apportioned Net Income} = \text{Total Net Corporation Apportionable Income} \times \frac{\text{Property} + \text{Payroll} + \text{Sales Factors}}{3}$$

These factors are computed as follows:

$$\text{Property Factor}^1 = \frac{\text{Average cost of owned or rented real and tangible personal property used in business in Ohio}}{\text{Average cost of such property used everywhere}}$$

$$\text{Payroll Factor} = \frac{\text{Total compensation paid in Ohio}}{\text{Total compensation paid everywhere}}$$

$$\text{Sales Factor}^2 = \frac{\text{Sales in Ohio}}{\text{Sales everywhere}}$$

1 Excludes cost of pollution control, coal conversion, solid waste energy conversion, thermal efficiency improvement, and energy conversion facilities.
2 For sales of tangible personal property, sales inside and outside of Ohio are determined by the final destination of the property sold; other sales are situsued according to where the income-producing activity takes place. Sales included under allocated income are not included in this factor.

TAX BASE (cont'd):

c) Allocated and Apportioned Income

The sum of allocated and apportioned incomes equals Ohio taxable net income to which the tax rate is applied.

RATES (SEE: "Recent Legislation" for changes effective in fiscal year 1982):

I. Regular Rates (R.C. 5733.06):

The tax rates for the two alternative tax bases are:

Net Worth -- 5 mills on the taxable value of the corporation; or

Net Income -- 4% on the first $25,000 of taxable income plus 8% on taxable income in excess of $25,000.

Corporations pay the greater of the two tax liabilities computed under the alternative tax bases, (after deducting credits)--with a minimum tax liability of $50 for all corporations. Corporations with taxable years ending on or after December 19, 1980 are subject to a 15% surtax for tax year 1981. Corporations with tax years ending prior to that date are subject to the 15% surtax in tax year 1982.

II. Additional Litter Tax Rates for Tax Years 1981 to 1986 (Sections 3 and 8 of H.B. 361, effective July 14, 1980):

A. The additional tax rates for the two alternative tax bases for all corporations except "litter stream corporations" are:

Net Worth -- 0.14 mill on the taxable value of the corporation; or

Net Income -- 0.11% on the first $25,000 of taxable income plus 0.22% on taxable income in excess of $25,000.

The additional tax charged any taxpayer or group of combined taxpayers under these rates is limited to a maximum of $5,000.

B. The additional litter tax rates for the two alternative tax bases for corporations manufacturing or selling "litter stream products"* are:

Net Worth -- 0.28 mill on the taxable value of the corporation; or

Net Income -- 0.11% on the first $25,000 of net income plus 0.44% on taxable income in excess of $25,000.

The additional tax charged any taxpayer or group of combined taxpayers under these rates is limited to a maximum of $10,000.

*"Litter stream products" include: (1) alcoholic beverages; (2) soft drinks; (3) soft drink and alcoholic beverage containers and container closures; (4) packaging materials for alcoholic beverages and soft drinks; (5) packaging materials used in serving take-out food; and (6) cigarettes, cigars, tobacco, matches, candy and gum. Manufacturers are subject to this additional tax if the sale of litter stream products exceeds 5% of total sales or total sales of litter stream products in Ohio exceed $10 million. Corporations selling litter stream products are not subject to the tax unless litter stream products account for at least 5% of total sales. Restaurants are not subject to the tax unless at least 5% of their sales are take-out sales.

CREDITS (R.C. 5733.061, 5733.062) (SEE: "Recent Legislation" for changes effective in fiscal year 1982):

Three credits are allowed:

(1) A credit equal to the difference between (1) the tangible property taxes actually paid in the taxable year on machinery and equipment used in manufacturing or refining and acquired in 1978 and thereafter; and (2) the taxes that would have been paid on such property if it had been assessed at 20% of true value instead of the actual percentage. If this credit exceeds the franchise tax liability in any year, the excess credit may be carried forward to offset liability for the following 3 years.

(2) A credit equal to 10% of the cost of acquiring and installing solar, wind, or hydrothermal energy systems on or before December 31, 1985, in buildings owned and operated by the corporation in Ohio. This credit may not exceed the tax liability and can only be taken in the taxable year the system is installed -- no carryover of excess credit is allowed.

(3) A credit equal to 50% of cash donations for litter control made to municipalities, counties, and townships which qualify for grants from the litter control and recycling special account. This credit is limited to 50% of the additional tax liability from the additional tax rates for tax years 1981 to 1986.

EXEMPTIONS AND EXCLUSIONS (SEE: "Recent Legislation" for changes effective in fiscal year 1982):

Corporations not subject to tax (R.C. 1733.43, 5733.01, 5733.09, and 5733.10):

1. nonprofit corporations (except certain agricultural and consumer cooperatives);
2. municipal corporations;
3. public utilities subject to public utility excise tax;
4. credit unions;
5. financial institutions and dealers in intangibles subject to intangibles taxes imposed by R.C. 5707.03;
6. corporations required to file annual reports with the superintendent of insurance (e.g., insurance companies, building and loan associations, and bond investment companies).

Assets excluded when computing the corporation's net worth (R.C. 5709.25, 5709.35, 5709.50, 5733.05 5915.29):

1. certain valuation reserves;
2. taxes due and payable;
3. good will, appreciation, and abandoned property;
4. specified investments in public utilities, insurance companies, and financial institutions in which the taxpayer has the ownership interests as required by statute (investments and business attributed to these companies are also eliminated in determining the property and business fractions for apportioning net worth);
5. certified pollution control facilities;
6. certain facilities designed to convert coal into other fuels or to desulphurize coal (assests excluded for 30 years);
7. certified civil defense structures;
8. 80% of the taxable value of corporations defined as "regulated investment companies" under the Internal Revenue Code.
9. certified energy conversion, thermal efficiency improvement, and solid waste energy conversion facilities.

Exempt income and deductions from the net income base (R.C. 5733.04, 5709.35):

1. certain income from sources outside the United States;
2. specified dividends from other corporations;
3. income on which intangible property tax has been paid;

EXEMPTIONS AND EXCLUSIONS (cont'd):

4. dividends received from public utilities, insurance companies, and financial institutions in which the taxpayer has the ownership interests required by statute (receipts from these companies are eliminated in determining the sales factor for apportioning net income);
5. capital gains from the sale of business assets where gain occurred prior to addition of income base (losses from such sales may not be deducted from income);
6. income arising from facilities designed to convert coal into other fuels or to desulphurize coal (exempt for 30 years);
7. amount of federal "targeted jobs credit".

TAXPAYER (R.C. 5733.01):

Corporate franchise tax is imposed on all domestic corporations organized for profit under Ohio law, except corporations which are exempted by statute. The tax must also be paid by nonprofit agricultural and consumer cooperatives which are organized under Chapter 1729 of the Ohio Revised Code. All foreign corporations organized for profit which are doing business in Ohio, or authorized to do business in Ohio, must also pay the corporate franchise tax. Small business corporations that elect under federal law not to be subject to the federal corporate income tax are still subject to the Ohio corporate franchise tax. The tax is imposed for the privilege of doing business in Ohio during the year in which the tax is payable.

PAYMENT DATES (R.C. 5733.02, 5733.021, 5733.13) (SEE: "Recent Legislation" for changes effective in fiscal year 1982):

January 31 -- By this date, the corporation must file either a final return and make full payment of the tax due, or an estimated return of its full tax liability and pay one-third of that estimated liability. If the estimated full tax liability is less than the minimum tax of $50, the corporation must make full payment of $50.

March 31 -- By this date, the corporation must file either a final return and pay the difference between its full liability and first estimated payment, or (if a time extension has been granted by the Tax Commissioner) it must file another estimated return and pay another one-third of its estimated tax liability

May 31 -- By this date, the corporation which received an extension of time for filing past March 31 must either file a return and pay the difference between its full liability and its estimated payments made earlier, or pay the remaining one-third of its estimated tax liability (if it is granted an extension for filing past May 31). A corporation receiving this extension must file its annual report and pay any remaining tax liability by the 15th day of the month following the final due date for filing its federal corporation income tax return.

A 6% annual interest rate is charged on any underpayment of estimated tax payments.

DISPOSITION OF REVENUE (R.C. 5733.12) (SEE: "Recent Legislation" for changes effective in fiscal year 1982):

All of the revenue collected from the 15% surtax levied in 1981 and 1982 is credited to the General Revenue Fund. The amount appropriated annually for administration of the "litter" tax is credited to the litter control and recycling tax administration account. In addition, $5 million is credited to the litter control and recycling account every six-month period through June, 1986. Remainder is credited to the state General Revenue Fund with 3.5% of the amount subsequently transferred to the Local Government Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5733.

ADMINISTRATIVE FEATURES (R.C. 5733.02, 5733.11, 5733.052):

Shared Administration:

Although tax payments and annual reports of corporations are filed with the Treasurer of State, the Tax Commissioner is principal administrator of the tax, with the Treasurer acting as collector of the tax. All corporate franchise reports received by the Treasurer are transmitted to the Commissioner showing the amount of tax remitted with the report and the date it was received. If a corporation required to file a return fails to file the return within the prescribed time, files an incorrect report, or fails to remit the full amount of the tax due, the Commissioner may make an assessment against the corporation for the tax due.

Combined Report (See: "Recent Legislation" — Am. H.B. 638):

When more than half of the capital stock with voting rights of a corporation subject to the tax is owned or controlled by another corporation subject to the tax, the Tax Commissioner is authorized to permit or require the combining of net income for purposes of calculating the tax base. Two or more corporations meeting the above requirements may elect to file a combined report if the combination sets forth the information required by the Commissioner. Once made, this election may not be changed by the taxpayer without the Commissioner's consent. (See Tax Commissioner Rule 5703-5-06).

RECENT LEGISLATION:

Am. H.B. 638, effective July 2, 1981.

R.C. 5733.052: Two or more corporations may elect to file a combined report only if each of them has income (excluding dividends) from sources within Ohio. Clarifies application of net worth base to corporations filing combined reports.

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5733.04: Repeals deduction for income on which tangible property tax has been paid.

R.C. 5733.041: Requires that a portion of the depreciation deductions be added back to net income for tax years 1982 and 1983 (tax years 1983 and 1984 for corporations with taxable years ending prior to November 15, 1981). The amount added back to net income equals either (1) the difference between the depreciation allowable under the "Economic Recovery Tax Act of 1981, P.L. 97-34" and the depreciation deduction allowable under prior federal law; or (2) 10% of the depreciation deduction actually taken on the corporation's federal tax return. One-fifth of the depreciation added back to net income may be deducted from the corporation's net income in each of five consecutive years beginning with the second year following the year in which the depreciation was added back to net income (for example, 20% of the depreciation deduction that was not allowed in tax year 1982 is deductible in each of tax years 1984-88).

R.C. 5733.05: Excludes the following from the net worth base of the tax: (1) the voting stock and participation certificates in corporations chartered pursuant to the "Farm Credit Act of 1971" (production credit associations); and (2) land valued for real estate tax purposes as land devoted exclusively to agricultural use.

R.C. 5733.06: Increases rates for net income base to 4.6% on the first $25,000 of net income and 8.7% on net income in excess of $25,000. Increases rate for net worth base to 5.5 mills. Increases minimum tax to $150.

RECENT LEGISLATION (cont'd):

R.C. 5733.09: Repeals exemption for financial institutions.

R.C. 5733.12: Increases portion of corporate franchise tax revenues earmarked for the Local Government Fund from 3.5% to 11.25% for calendar year 1982, 10.85% for calendar year 1983 and 27% thereafter.

R.C. 5733.29: Provides that any difference between 100% of the estimated tax payment due by each deadline and the actual payment is defined as an underpayment and subject to interest charges. Under prior law, interest was charged on the difference between 80% of the estimated payment due and the actual amount of the estimated payment.

SECTION 184: Imposes a 5.75% surtax on the tax year 1982 tax liability of corporations with taxable years ending on or after November 15, 1981 (corporations with taxable years ending prior to November 15, 1981 pay this surtax in tax year 1983). This surtax does not apply to financial institutions or to the tax liability derived from the "litter rates". All of the revenue from this surtax goes to the General Revenue Fund. Payment of the surtax is due June 15, 1982 or June 15, 1983.

SECTION 186: Provides that the Director of the Office of Budget and Management may waive the surtax imposed by Section 184 -- if anticipated revenues are sufficient to meet proposed obligations. (NOTE: The surtax was <u>not</u> waived.)

SECTION 199: For tax years 1982 and 1983, the tax on financial institutions is imposed only on the net worth base at a rate of 6.5 mills.

Am. Sub. H.B. 552, effective November 24, 1981.

SECTION 5733.052: Amends the tax-computation procedure for combined returns. Therefore, the lower tax rate (4.6%) applies to the first $25,000 of income for each corporation -- previously the lower rate applied only to the first $25,000 of the combined income for all of the corporations in the combination.

Am. Sub. H.B. 351, effective March 17, 1982.

R.C. 5709.61: To qualify as an "Urban Jobs and Enterprise Zone", areas must have all of the following characteristics:

1. it has a single continuous boundary and a population of at least 4,000;
2. it satisfies the requirements for federal assistance under the Urban Development Action Grants Program or the Pockets of Poverty Program;
3. its average unemployment rate is at least 150% of the national rate;
4. it is a low-income poverty area;
5. a substantial number of structures in the area have been abandoned or demolished or taxes are delinquent on a substantial number of structures in the area;
6. at least 70% of the residents of the area have incomes of less than 80% of the median income of the numicipality where it is located or the population of all census tracts in the area decreased by at least 10% between 1970 and 1980.

R.C. 5709.62: The most populous municipality, and any municipality with a population within 20,000 of that municipality, of specified counties (counties making expenditures for welfare purposes equal to 1.25% of the total welfare expenditures for all counties) may designate areas as "Urban Jobs and Enterprise Zones". Until 1988, these municipalities may abate up to 100% of the tangible property taxes for a period of up to 10 years for qualified businesses establishing, expanding, renovating, or occupying a facility in the "zone".

R.C. 5709.63: The counties (Boards of County Commissioners) may designate areas within municipalities as "Urban Jobs and Enterprise Zones". Until 1988, these counties may abate up to

RECENT LEGISLATION (cont'd):

50% of the tangible property taxes for a period of up to 10 years for qualified businesses establishing, expanding, renovating, or occupying a facility in the "zone".

R.C. 5709.64: Enterprises (except retail operations) granted tax abatements under Sections 5709.62 or 5709.63 may apply for a state tax incentive. To qualify for the state tax incentive, the enterprise would have to meet the following requirements:

1. It must have hired non-retail new employees.
2. At least 25% of the new employees must fall into at least one of the following categories:

   a. unemployed persons residing for at least 6 months in the county;
   b. CETA -- elegible employees residing in the county for 6 months;
   c. recipients of welfare benefits residing in the county for 6 months;
   d. handicapped persons residing in the county for 6 months; or
   e. residents of a "zone" in the county for at least one year.

3. The average number of positions attributable to the enterprise in the year preceding the application exceeds the maximum number for the year preceding the year it meets the requirements in numbers 1 and 2 above.
4. The enterprise has not reduced employment elsewhere to establish this facility.

R.C. 5709.65: Enterprises issued certificates under 5709.64 are entitled to the following tax incentives (these incentives do not apply to retail operations):

1. the value of real and tangible personal property at the facility would be exempt from the net worth base of the corporate franchise tax;
2. the original cost of real and tangible personal property would be excluded from the property factor of the franchise tax;
3. compensation paid to employees meeting at least one of the criteria in Section 5709.64 would be excluded from the payroll factor of the franchise tax;
4. employers reimbursing specified employees for the cost of day-care services receive a maximum franchise tax credit of $300 for each child receiving the services;
5. employers reimbursing specified employees for training costs receive a maximum franchise tax credit of $1,000.

Any credits in excess of the corporations liability may be carried forward until they are used.

Am. Sub. H.B. 38, effective June 23, 1982.

R.C. 5733.031: Provides that amended reports required as a result of federal tax adjustments are subject to assessment in the same manner as other franchise tax reports.

R.C. 5733.12: Allows a corporation to apply for a corporate franchise tax refund after expiration of the 3-year statute of limitations if the refund is due to a change in the corporation's federal taxable income. The refund application is due within 120 days after the final determination of federal taxable income. This amendment applies to refund applications pertaining to tax payments made on or after July 1, 1979.

R.C. 5733.121: Provides that corporate franchise tax refunds be reduced by any tax, penalty, or interest owed to the state general revenue fund by the taxpayer. This amendment applies to refunds certified by the Tax Commissioner on and after July 1, 1983.

RECENT LEGISLATION (cont'd):

Am. Sub. S.B. 530, effective June 25, 1982:

SECTION 6: Imposes a 5.75% surtax on the tax year 1983 tax liability of corporations with taxable years ending on or after June 25, 1982 (corporations with taxable years ending prior to June 25, 1982 and corporations subject to the H.B. 694 surtax in tax year 1983 pay this surtax in tax year 1984). This surtax does not apply to financial institutions or to the tax liability derived from the "litter rates". All of the revenue from this surtax goes to the General Revenue Fund.

Am. Sub. H.B. 366, effective July 9, 1982.

R.C. 5703.47: Requires that the Tax Commissioner determine the discount rate on ninety-day commercial paper at the Cleveland federal reserve bank as of October 15th of each year. This rate (rounded to the nearest whole number) is used to determine the interest on underpayments and overpayments for periods in the following calendar year.

R.C. 5733.11: Eliminates, under certain circumstances, the requirement that assessments be paid before the corporation files an application for review and correction of the assessment.

R.C. 5733.26 and 5733.29: Provides that the interest charged on underpayments and paid on overpayments is determined using the interest rates prescribed by Section 5703.47.

RECENT SIGNIFICANT COURT DECISIONS:

Republic Steel Corp. v. Lindley, Board of Tax Appeals, Case Nos. 79-E-352 to 354, Octover 1, 1981.

Accounts receivable arising from cash advances to a subsidiary, less than 51% of whose common stock is owned by the taxpayer, are situsted to the taxpayer's state of residence under R.C. 5709.02 and 5733.05(A) since they do not arise from the sale of property or the provision of services and thus cannot be sitused elsewhere under R.C. 5709.03(A). Accounts receivable arising from the sale, by an agent having an office in a state other than that in which the taxpayer resides, of custom-produced goods, must be sitused to the state in which such office is located under 5709.03(A) and 5733.05(A) since the items sold are not from a stock of goods maintained for sale. Although a corporation is not required to list for intangible property tax purposes its investments in the stocks of any other corporation, such shares are includible in its property fraction under R.C. 5733.05(A) and, if the taxpayer owns less than 51% of the common stock of such other corporation, the shares must be sitused to the state of the taxpayer's residence under R.C. 5709.02 unless required to be sitused elsewhere under R.C. 5709.03(F).

Motorists Development Co. v. Lindley, Ohio Supreme Court 69 Ohio St. 2d 220, February 17, 1982.

For taxable years ending prior to July 2, 1981, a taxpayer that combines its net income with that of one or more other corporations under R.C. 5733.052 is not required to value its shares under the net worth basis of R.C. 5733.05(A) since R.C. 5733.052(E) provides that the tax "shall be computed on the combined net income".

Champion Spark Plug Co. v. Lindley, Ohio Supreme Court, 70 Ohio St. 2d 82, May 19, 1982.

In order for income to be deductible under R.C. 5733.04(I)(2), it must, among other things, be "derived from sources outside the United States". In determining the source of income derived from the provision of a service, the place of payment for the service is irrelevant. The nature of the income received must be considered to determine if it arises from the provision of "technical or other services" and to determine the situs of any such service performed.

McLean Trucking Co. v. Lindley, Ohio Supreme Court, 70 Ohio St. 2d 106, May 26, 1982.

When the three-year statute of limitations of R.C. 5733.11 has expired for assessing a taxpayer's annual franchise tax report, an assessment may only be issued to recover the additional tax re-

RECENT SIGNIFICANT COURT DECISIONS (cont'd):

lated to the federal adjustments required to be reported under R.C. 5733.031(C), together with interest and any applicable penalty thereon. Since Special Instruction 21 purports to have general and uniform operation affecting private rights, it is a rule under R.C. 119.01(C) and therefore invalid since not promulgated in compliance with R.C. 5703.14 and 119.03. R.C. 5733.05(B)(2)(d) authorizes deviations from the standard allocation and apportionment provisions only where custom tailored to the particular taxpayer and not across-the-board for a group of taxpayers.

Illinois Tool Works Inc. v. Lindley, Ohio Supreme Court, 70 Ohio St. 2d 175, June 16, 1982.

Leased property is not includible in the lessor's property factor of R.C. 5733.05 (B)(2)(a) since it is used in the lessee's trade or business and cannot also be used in the lessor's trade or business. The gross proceeds from sales of United States treasury bills that do not give rise to income allocable under R.C. 5733.051(A)(1)-(7) are includible in the sales factor of R.C. 5733.05(B)(2)(c). Note: Later legislation excluded these sales from the sales factor.

Timken Co. v. Lindley, Board of Tax Appeals, Case Nos. 30-A-516 and 610, June 23, 1982.

The Tax Commissioner has no jurisdiction under R.C. 5733.12 to consider a claim for refund of franchise taxes filed more than three years after the taxes were paid even if the claim is based on a change in the taxpayer's federal income tax return required to be reported under R.C. 5733.031(C).

Table 39

CORPORATE FRANCHISE TAX COLLECTIONS, FISCAL YEARS 1978-1982

Fiscal Year	Gross Tax Collections	Refunds	Net Tax Collections
1978	$544,011,346	$13,287,417	$530,723,929
1979	590,782,292	14,814,637	575,967,655
1980	603,092,645	20,745,940	582,346,705
1981	583,874,100	28,537,144	555,336,956
1982	670,041,558	33,030,170	637,011,388

SOURCE: Ohio Department of Administrative Services.

Table 40

NUMBER OF CORPORATIONS,
BY TAX BASE AND INDUSTRY, TAX YEAR 1981

Industry	Number of Corporations by Tax Base[a]				
	Minimum	Net Worth	Net Income	Not Reported[b]	Total
Agriculture & Forestry	115	157	105	2	379
Mining	367	555	437	27	1,386
Construction	2,894	3,697	3,606	97	10,294
Manufacturing	2,376	5,404	6,651	344	14,775
Transportation	955	1,374	1,124	49	3,502
Wholesale Trade	1,700	3,117	4,029	110	8,956
Retail Trade	4,435	7,698	6,225	221	18,579
Finance	3,919	6,290	4,106	246	14,561
Service	6,658	7,300	9,355	172	23,485
Not Reported[c]	9,288	7,071	5,648	165	22,172
Total	32,707	42,663	41,286	1,433	118,089

(a) Corporations meeting certain requirements may file combined returns. For tax year 1981, 113,337 returns were filed representing 118,089 corporations.
(b) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.
(c) Industry classification was not indicated by taxpayer.

Table 41

NUMBER OF CORPORATIONS,
BY TAX BASE AND TAX LIABILITY CLASS, TAX YEAR 1981

Tax Liability Class	Number of Corporations By Tax Base[a]				
	Minimum	Net Worth	Net Income	Not Reported[b]	Total
Minimum	32,707	-	-	-	32,707
$ 50 - 1,000	-	34,089	21,009	277	55,375
1,000 - 2,000	-	3,958	4,506	186	8,650
2,000 - 3,000	-	1,290	3,090	135	4,515
3,000 - 4,000	-	689	2,051	69	2,809
4,000 - 5,000	-	416	1,547	76	2,039
5,000 - 10,000	-	841	3,528	181	4,550
10,000 - 15,000	-	277	1,283	109	1,669
15,000 - 20,000	-	178	777	56	1,011
20,000 - 25,000	-	79	549	54	682
25,000 - 30,000	-	75	371	26	472
30,000 - 35,000	-	93	234	8	335
35,000 - 50,000	-	76	530	96	702
50,000 - 100,000	-	170	686	72	928
100,000 - 200,000	-	220	379	79	678
200,000 - 500,000	-	136	348	9	493
$500,000 & Over	-	76	398	-	474
Total	32,707	42,663	41,286	1,433	118,089

NOTE: See Table 40 for footnotes (a) and (b).

Table 42

REPORTED TAX LIABILITY, BY TAX BASE AND INDUSTRY,
TAX YEAR 1981

Industry	Tax Liability Before Surtax and Credits By Tax Base					Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Energy & Litter Credits	Property Tax Credits	Tax Liability After Credits
	Minimum	Net Worth	Net Income	Not Reported[a]	Total						
Agriculture & Forestry	$ 5,765	$ 160,900	$ 931,432	$ 7,506	$ 1,105,603	$ 138,969	$ 18,355	$ 779	-	$ 30,412	$ 1,233,294
Mining	18,560	2,621,140	8,442,534	282,766	11,365,000	1,156,279	173,350	4,524	$ 2,500	348,483	12,435,641
Construction	146,924	2,774,801	14,583,393	539,400	18,044,518	1,286,057	326,606	19,103	- -	111,396	19,577,154
Manufacturing	120,237	30,592,005	235,148,622	5,137,271	270,998,135	26,671,581	3,118,321	179,765	5,002	26,877,883	280,703,436
Transportation	48,247	2,740,873	13,988,504	38,674	16,816,298	1,941,870	273,669	2,243	4,898	52,728	18,978,237
Wholesale Trade	86,937	4,679,418	37,165,260	697,155	42,628,770	3,778,772	728,130	79,649	450	512,101	46,718,055
Retail Trade	225,169	8,171,079	39,252,965	896,228	48,545,441	2,822,697	601,145	161,336	83,399	331,643	51,799,080
Finance	198,740	6,237,804	13,526,656	922,549	20,885,749	1,705,206	426,049	32,047	790	297,910	22,888,690
Service	338,189	3,243,583	23,285,740	439,108	27,306,620	1,811,400	501,635	50,314	1,343	256,511	29,460,395
Not Reported[c]	472,408	4,868,079	16,452,409	684,907	22,477,803	1,783,762	455,198	58,334	12,101	1,310,605	24,073,673
Total	$1,661,176	$66,089,682	$402,777,515	$9,645,564	$480,173,937	$43,096,593	$6,622,458	$588,094	$110,483	$30,129,672	$507,867,655

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax base for these corporations.

(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations (see text).

(c) Industry classification was not indicated by taxpayer.

Table 43

REPORTED TAX LIABILITY, BY TAX BASE AND TAX LIABILITY CLASS,
TAX YEAR 1981

Tax Liability Class	Tax Liability Before Surtax and Credits By Tax Base					Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Energy & Litter Credits	Property Tax Credits	Tax Liability After Credits
	Minimum	Net Worth	Net Income	Not Reported[a]	Total						
Minimum	$1,661,176	-	-	-	$1,661,176	$ 152,858	$ 15,917	$ 7,362	$78,077	$4,036,716	$1,826,442
$ 50 - 1,000	-	$10,747,253	$ 9,247,703	$ 54,584	20,049,540	1,800,149	457,209	97,945	15,930	7,300,333	18,559,807
1,000 - 2,000	-	5,379,511	6,726,928	117,326	12,223,765	915,208	264,547	27,742	1,078	404,386	13,034,414
2,000 - 3,000	-	2,989,811	7,484,899	124,686	10,599,396	752,591	217,215	33,264	702	232,933	11,368,883
3,000 - 4,000	-	2,233,028	6,997,042	110,499	9,340,569	795,267	184,261	26,126	-	201,740	10,144,486
4,000 - 5,000	-	1,686,214	6,766,745	140,245	8,593,204	581,417	161,700	29,860	-	215,694	9,150,490
5,000 - 10,000	-	4,988,075	23,156,425	467,555	28,612,055	2,036,145	564,610	82,139	1,442	712,554	30,581,131
10,000 - 15,000	-	2,841,617	14,819,498	408,577	18,069,692	1,255,168	362,705	19,055	2,433	539,476	19,164,714
15,000 - 20,000	-	2,071,515	12,021,136	386,382	14,479,033	986,518	262,150	11,567	-	448,562	15,290,709
20,000 - 25,000	-	1,424,026	10,178,416	404,628	12,007,070	937,951	233,436	5,279	-	369,942	12,813,796
25,000 - 30,000	-	1,688,043	8,776,096	327,543	10,791,682	780,357	223,134	8,175	876	416,280	11,386,243
30,000 - 35,000	-	1,630,468	6,790,486	164,463	8,585,417	962,857	170,587	5,925	-	345,578	9,379,209
35,000 - 50,000	-	2,125,385	17,708,085	1,375,638	21,209,108	1,626,612	404,810	25,522	600	509,813	22,775,698
50,000 - 100,000	-	7,208,358	36,497,580	1,639,680	45,345,618	3,765,031	898,733	41,517	250	2,738,743	47,311,927
100,000 - 200,000	-	6,339,874	34,116,140	3,665,586	44,121,600	3,680,659	891,454	56,616	-	2,145,167	46,627,783
200,000 - 500,000	-	9,037,114	52,747,131	258,172	62,042,417	6,241,402	862,619	54,999	2,500	3,172,302	66,026,633
$500,000 & Over	-	3,699,390	148,743,205	-	152,442,595	15,826,403	447,371	55,001	6,595	6,339,453	162,425,290
Total	$1,661,176	$66,089,682	$402,777,515	$9,645,564	$480,173,937	$43,096,593	$6,622,458	$588,094	$110,483	$30,129,672	$507,867,655

(a) Data as initially supplied by taxpayers were insufficient to determine the proper tax pace for these corporations.
(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations.

Table 44

NUMBER OF MANUFACTURING CORPORATIONS
BY TAX BASE AND INDUSTRY CLASSIFICATION, TAX YEAR 1981

Industry	Number of Corporations By Tax Base[a]				
	Minimum	Net Worth	Net Income	Not Reported[b]	Total
Food	159	420	422	28	1,029
Tobacco Manufactures	3	7	7	0	17
Textile Mill Products	8	31	30	0	69
Apparel and Other Textiles	39	95	100	4	238
Lumber and Wood Products	83	223	182	4	492
Furniture and Fixtures	53	97	83	5	238
Paper	52	122	115	9	298
Printing and Publishing	240	473	627	14	1,354
Chemicals	152	365	396	33	946
Petroleum and Coal	21	48	94	3	166
Rubber and Plastics	149	258	340	11	758
Leather Products	10	24	37	1	72
Stone, Clay & Glass Products	100	286	258	18	662
Primary Metal	69	164	282	10	525
Fabricated Metal	511	1,262	1,779	101	3,653
Machinery (non-electrical)	254	574	801	43	1,672
Electrical Machinery	201	400	460	33	1,094
Transportation Equipment	68	208	162	10	448
Instruments and Related Products	47	95	124	3	269
Miscellaneous Manufacturing	157	252	352	14	775
Total	2,376	5,404	6,651	344	14,775

(a) Corporations meeting certain ownership requirements may file combined returns. For tax year 1981, 13,382 returns were filed representing 14,775 corporations.
(b) Data as initially supplied by taxpayers were insufficient to determine proper tax base for these corporations.

Table 45
NUMBER OF MANUFACTURING CORPORATIONS, BY TAX BASE AND TAX LIABILITY CLASS,
TAX YEAR 1981

Tax Liability Class	Number of Corporations By Tax Base[a]				
	Minimum	Net Worth	Net Income	Not Reported[b]	Total
Minimum	2,376	-	-	-	2,376
$ 50 - 1,000	-	3,410	1,629	40	5,079
1,000 - 2,000	-	643	601	40	1,284
2,000 - 3,000	-	266	472	32	770
3,000 - 4,000	-	150	393	14	557
4,000 - 5,000	-	120	310	11	441
5,000 - 10,000	-	238	884	25	1,147
10,000 - 15,000	-	99	384	27	510
15,000 - 20,000	-	57	270	16	343
20,000 - 25,000	-	25	192	9	226
25,000 - 30,000	-	28	146	9	183
30,000 - 35,000	-	45	103	2	150
35,000 - 50,000	-	32	204	26	262
50,000 - 100,000	-	75	355	36	466
100,000 - 200,000	-	41	207	57	305
200,000 - 500,000	-	86	237	-	323
$500,000 & Over	-	89	264	-	353
Total	2,376	5,404	6,651	344	14,775

NOTE: See Table 44 for footnotes (a) and (b).

Table 46

REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND INDUSTRY CLASSIFICATION
TAX YEAR 1981

Industry	Tax Liability Before Surtax and Credits By Tax Base					Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Energy & Litter Credits	Property Tax Credits	Tax Liability After Credits
	Minimum	Net Worth	Net Income	Not Reported[a]	Total						
Food	$ 7,950	$ 1,727,801	$ 19,319,788	$ 190,825	$ 21,246,364	$ 1,115,529	$ 229,298	$ 74,329	$ 596	$ 799,463	$ 21,870,538
Tobacco Manufactures	150	12,225	2,003,549	-	2,015,924	297,093	21,765	21,602	-	1,199	2,355,186
Textile Mill Products	407	212,728	452,234	-	665,369	35,167	14,323	12	-	8,846	706,026
Apparel and Other Textiles	1,957	175,966	1,500,676	3,375	1,681,974	102,558	27,908	-	-	32,449	1,779,994
Lumber and Wood Products	4,165	1,089,545	1,370,117	15,010	2,478,837	214,983	49,245	-	67	208,233	2,535,017
Furniture and Fixtures	2,657	141,588	1,230,714	21,887	1,396,846	103,894	27,609	28	-	48,689	1,481,300
Paper	2,608	1,748,716	3,532,796	132,965	5,417,085	526,761	112,361	4,465	1,073	721,812	5,399,242
Printing and Publishing	12,297	1,199,469	13,906,607	120,305	15,238,678	1,671,952	231,631	2,795	-	902,155	16,307,283
Chemicals	7,623	3,839,055	26,738,912	949,079	31,534,669	2,610,710	309,604	7,876	-	1,802,990	32,700,393
Petroleum and Coal	1,057	1,470,272	25,387,789	4,467	26,863,585	3,714,231	99,105	5,059	-	691,475	29,990,608
Rubber and Plastics	7,780	506,777	6,221,167	115,342	6,851,066	568,331	100,970	12,324	372	1,058,834	6,937,936
Leather Products	500	86,144	1,228,740	3,770	1,319,154	28,352	11,933	-	-	17,892	1,341,547
Stone, Clay & Glass Products	5,307	936,425	6,058,157	48,165	7,048,054	849,270	111,479	15,971	136	854,926	7,270,199
Primary Metal	3,479	3,733,777	13,993,901	324,209	18,055,366	2,115,284	235,852	5,448	-	5,728,199	17,352,704
Fabricated Metal	25,855	3,481,143	29,739,805	2,045,752	35,292,555	2,629,474	603,219	14,990	807	2,338,520	36,269,023
Machinery (non-electrical)	12,725	2,608,700	30,431,119	425,257	33,477,801	3,528,125	348,777	3,147	951	1,995,349	35,483,656
Electrical Machinery	10,073	2,674,486	33,263,802	156,774	36,105,135	4,232,546	283,297	11	1,000	2,530,240	38,189,576
Transportation Equipment	3,407	4,184,150	8,850,597	120,254	13,158,408	1,398,205	153,429	10	-	6,750,407	10,854,545
Instruments and Related Products	2,350	333,473	3,522,209	91,739	3,949,771	436,771	60,195	3,305	-	97,793	4,352,788
Miscellaneous Manufacturing	7,890	429,565	6,395,943	368,096	7,201,494	492,345	86,321	8,393	-	288,412	7,525,875
Total	$120,237	$30,592,005	$235,148,622	$5,137,271	$270,998,135	$26,671,581	$3,718,321	$179,765	$5,002	$26,877,883	$280,703,436

(a) Data as initially supplied were insufficient to determine the proper tax base for these corporations.

(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporations (see text).

Table 47

REPORTED TAX LIABILITY FOR MANUFACTURING CORPORATIONS,
BY TAX BASE AND TAX LIABILITY CLASS, TAX YEAR 1981

Tax Liability Class	Tax Liability Before Surtax and Credits By Tax Base										
	Minimum	Net Worth	Net Income	Not Reported[a]	Total	Surtax	Litter[b] Tax (Tier 1)	Litter[b] Tax (Tier 2)	Energy & Litter Credits	Property Tax Credits	Tax Liability After Credits
Minimum	$120,237	-	-	-	$ 120,237	$ 10,397	$ 5,747	$ 268	-	$ 3,338,408	$ 128,641
$ 50 - 1,000	-	$ 1,777,994	$ 1,413,223	$ 6,909	3,198,126	250,428	67,930	13,741	942	1,588,717	1,856,559
1,000 - 2,000	-	968,523	1,060,366	18,016	2,046,905	131,674	40,389	6,556	372	362,118	1,869,128
2,000 - 3,000	-	632,627	1,199,474	32,350	1,864,451	124,094	41,752	6,824	393	173,780	1,863,001
3,000 - 4,000	-	555,013	1,398,499	21,591	1,975,103	152,156	38,172	7,777	-	182,428	1,991,268
4,000 - 5,000	-	541,640	1,394,713	27,783	1,964,136	142,123	41,848	516	-	188,811	1,959,815
5,000 - 10,000	-	1,621,176	5,996,092	90,550	7,707,818	556,211	155,025	10,583	1,221	567,824	7,860,593
10,000 - 15,000	-	1,090,302	4,592,918	112,525	5,795,745	384,089	109,762	10,693	1,744	408,542	5,890,005
15,000 - 20,000	-	857,923	4,167,030	120,073	5,145,026	369,924	105,126	2,066	-	283,496	5,338,646
20,000 - 25,000	-	590,481	3,809,849	64,097	4,464,427	352,810	92,473	-	-	302,293	4,607,416
25,000 - 30,000	-	772,061	3,652,410	112,337	4,536,808	375,285	108,265	2,884	330	284,736	4,738,178
30,000 - 35,000	-	914,308	2,929,635	34,658	3,878,601	347,937	81,077	1,281	-	173,257	4,135,643
35,000 - 50,000	-	1,173,503	6,827,508	605,495	8,606,506	710,684	170,506	2,410	-	416,085	9,094,074
50,000 - 100,000	-	3,523,638	19,645,414	843,555	24,012,607	1,934,434	493,057	14,542	-	1,112,787	25,346,852
100,000 - 200,000	-	3,177,903	18,454,264	3,047,332	24,679,499	2,117,113	513,756	29,625	-	1,726,348	25,545,342
200,000 - 500,000	-	7,313,977	35,906,247	-	43,220,224	4,737,760	665,081	34,999	-	6,521,204	45,545,598
$500,000 & Over	-	5,080,936	122,700,980	-	127,781,916	13,974,462	388,355	35,000	-	9,247,049	132,932,677
Total	$120,237	$30,592,005	$235,148,622	$5,137,271	$270,998,135	$26,671,581	$3,118,321	$179,765	$5,002	$26,877,883	$280,703,436

(a) Data as initially supplied by taxpayers were insufficient to determine proper tax base for these corporations.

(b) Tier 1 of litter tax is paid by all corporations. Tier 2 of litter tax is paid by only "litter stream" corporatons (see text).

ENERGY CREDIT PROGRAM

The Ohio Energy Credit Program provides credits or direct cash payments for the winter heating bills of qualified elderly and disabled individuals. All applications for the program are filed with and processed by the Ohio Department of Taxation.

There were no changes in the eligibility requirements, level of benefits or administrative procedures for the 1981-82 Energy Credits Program heating season.

Table 48 shows the number of eligible applicants in each county by the type of heating fuel used to heat the residence for the 1981-82 heating season. The total number of applicants was 325,366. Of this number, 106,198 had incomes less than $5,000, and 148,962 had incomes between $5,000 and $9,000. These applicants heated their households with gas, electricity or pipeline propane while the remaining 70,206 receiving the $125 cash payment heated their households with fuel oil, coal, wood, kerosene, or non-pipeline propane.

According to data from the Auditor of State, 317,391 individuals received over $41.8 million in cash payments or utility bill credits for the 1981-82 heating season. Since Department of Taxation data show the number of applicants, and the data published by the State Auditor show the number of individuals receiving the credits or cash payments, the figures in Table 48 differ from those reported by the State Auditor. There are several reasons for these differences, including: (1) some applicants dropped out of the program after they had been approved; (2) the account with the utility was not in the name of the applicant; and (3) further processing and auditing revealed that some applicants were not qualified.

DESCRIPTION OF PROGRAM:

The 1981-82 heating season program provided 25% and 30% credits on heating bills or a direct cash payment of $125 to qualified individuals. To qualify for the program, an individual must:(1) have been head of household or spouse; (2) turn 65 years of age during calendar year 1981; (3) have had total 1980 income or an expected 1981 income (including income of spouse) of $5,000 or less to receive a 30% credit, or have had total 1980 income or an expected 1981 income of more than $5,000 but less than $9,000 to receive a 25% discount.

Qualified applicants who heated their households with gas, electricity or propane delivered by pipeline were granted the percentage discount on the bills received for those fuels during the months of December, 1981 through April, 1982. Qualified applicants who heated their homes with fuel oil, bottled propane, coal, wood, or kerosene, shared a meter for heating fuel, or paid for heat included with their rent payments received the $125 cash payment.

APPLICATION AND CREDIT PROCESS:

All applications for the energy credit program are filed with the Department of Taxation. The Tax Commissioner verifies the information on the application and certifies the eligibility for the applicants. The energy companies supplying electricity, gas, or propane delivered by pipeline are issued the names of those eligible for the 25% or 30% credit. The Tax Commissioner also certifies to the Auditor of State a list of those eligible for the $125 payment and the Auditor of State issues warrants to those individuals.

OHIO REVISED CODE CITATIONS:

Sections 122.64 to 122.69, 4933.123, 5117.01 to 5117.12, 5117.21 to 5117.29, and 5117.99

Table 48

ENERGY CREDIT PROGRAM
NUMBER OF APPLICATIONS, BY COUNTY AND TYPE OF AID, 1981-82 HEATING SEASON[a]

County	$125 Cash[b] Payment	30% Credit[c]	25% Credit[c]	Total	County	$125 Cash[b] Payment	30% Credit[c]	25% Credit[c]	Total
Adams	1,194	206	164	1,564	Lorain	621	2,023	3,248	5,892
Allen	528	1,091	1,747	3,366	Lucas	2,082	5,536	7,536	15,154
Ashland	364	452	657	1,473	Madison	256	347	391	994
Ashtabula	1,159	940	1,528	3,627	Mahoning	1,505	4,005	5,123	10,633
Athens	803	576	728	2,107	Marion	346	775	1,028	2,149
Auglaize	371	432	684	1,487	Medina	461	495	860	1,816
Belmont	942	1,037	1,463	3,442	Meigs	704	347	380	1,431
Brown	1,045	217	243	1,505	Mercer	376	325	488	1,189
Butler	1,688	2,022	2,697	6,407	Miami	500	1,026	1,469	2,995
Carroll	448	201	288	937	Monroe	272	289	277	838
Champaign	422	386	487	1,295	Montgomery	1,897	5,392	7,465	14,754
Clark	617	1,708	2,387	4,712	Morgan	291	209	248	748
Clermont	1,875	351	451	2,677	Morrow	487	151	190	828
Clinton	560	419	397	1,356	Muskingum	708	1,208	1,549	3,465
Columbiana	1,357	1,461	1,875	4,693	Noble	227	175	181	583
Coshocton	462	404	597	1,463	Ottawa	553	319	540	1,412
Crawford	334	656	932	1,922	Paulding	293	143	198	634
Cuyahoga	4,557	18,416	26,509	49,482	Perry	403	438	620	1,461
Darke	601	570	787	1,958	Pickaway	380	476	433	1,289
Defiance	466	266	376	1,108	Pike	855	171	169	1,195
Delaware	444	292	420	1,156	Portage	1,132	562	897	2,591
Erie	372	717	1,142	2,231	Preble	512	269	425	1,206
Fairfield	577	1,009	1,366	2,952	Putnam	407	238	353	998
Fayette	247	481	521	1,249	Richland	619	1,227	1,774	3,620
Franklin	1,678	7,388	10,817	19,883	Ross	1,194	606	756	2,556
Fulton	389	262	403	1,054	Sandusky	425	665	933	2,023
Gallia	836	289	306	1,431	Scioto	1,637	1,206	1,424	4,267
Geauga	943	97	173	1,213	Seneca	378	623	920	1,921
Greene	530	679	955	2,164	Shelby	425	303	482	1,210
Guernsey	517	682	823	2,022	Stark	1,725	3,981	5,884	11,590
Hamilton	5,566	6,935	9,934	22,435	Summit	1,373	5,591	8,036	15,000
Hancock	280	632	890	1,802	Trumbull	1,218	2,107	3,075	6,400
Hardin	244	528	559	1,331	Tuscarawas	799	1,248	1,704	3,751
Harrison	469	152	227	848	Union	313	290	355	958
Henry	339	266	301	906	Van Wert	253	354	482	1,089
Highland	990	417	441	1,848	Vinton	472	107	132	711
Hocking	376	266	363	1,005	Warren	904	419	599	1,922
Holmes	254	117	192	563	Washington	391	894	1,030	2,315
Huron	524	491	789	1,804	Wayne	592	606	1,095	2,293
Jackson	830	564	643	2,037	Williams	386	346	504	1,236
Jefferson	1,161	1,025	1,252	3,438	Wood	521	709	960	2,190
Knox	378	592	896	1,866	Wyandot	181	253	379	813
Lake	1,019	1,106	2,026	4,151					
Lawrence	1,037	932	1,177	3,146	County Not Indicated	167	129	203	499
Licking	647	1,304	1,747	3,698					
Logan	545	581	807	1,933	Total	70,206	106,198	148,962	325,366

(a) Applications as of February 24, 1982.

(b) Individuals heating with fuel oil, non-pipeline propane, coal, wood, or kerosene.

(c) Individuals heating with gas, electricity, or propane gas delivered by pipeline.

TANGIBLE PERSONAL PROPERTY TAX

Taxes levied on tangible personal property totaled $819.3 million in calendar year 1981, an increase of $54.3 million (7.1%) over the previous year. The statewide average tax rate increased by about 1.1 mills (48.89 mills in 1980 and 50.01 mills in 1981), while tangible property values increased by 4.2%.

The assessment percentages applied to all types of tangible personal property (except electrical equipment) were reduced by two percentage points in 1981. This was the fourth reduction in assessment percentages under the provisions of Section 5711.22 of the Ohio Revised Code. These assessment levels will all be reduced to 35% by 1984 (except for electrical equipment).

TAX BASE (R.C. 5701.03, 5701.08, 5709.01, 5711.03, 5711.15-5711.18, 5711.22):

Tangible personal property located and used in business in Ohio -- including machinery, equipment, and inventories.

Class of Property	Percentage Applied to True Value to Determine Taxable Value, 1981
Manufacturing Machinery & Equipment	40%
Manufacturers' Inventories	35%
Merchants' Inventories	35%
Electrical Equipment(1)	100%
Furniture, Fixtures, and All Other Property	40%

(1) Property used in generating or distributing electricity to others (except by utilities); the total value of this class is not significant.

Taxable value is determined by applying various assessment percentages to the true value of different classes of tangible personal property. The true value of depreciable assets (machinery and equipment, furniture and fixtures, etc.) is statutorily defined as depreciated book value unless the assessor determines otherwise. The true value of manufacturers' and merchants' inventories is determined by the average monthly value (basically, cost of acquisition) of the inventories. Inventories of other taxpayers are listed at their value as of the tax listing date (generally December 31). The table above shows the assessment percentages applied to true value in 1981.

RATES (R.C. 319.31, 5705.02, 5705.03, 5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located (e.g. county, township, municipal corporation, school district, etc.). The rates applied to tangible personal property are the same as those rates developed and applied to the previous year's listing of real estate and public utility property. However, gross taxes levied on real property are reduced when real property values increase, while taxes levied against tangible property are not reduced. The statewide average tax rate on tangible property in 1981 was 50.01 mills.

SPECIAL PROVISIONS (R.C. 5733.061, 5747.051):

An annual credit against the corporate franchise or personal income tax liability of a firm is allowed for a portion of the tangible property taxes timely paid on machinery and equipment used in manufacturing or refining and acquired in 1978 or thereafter. This credit is equal to the difference between the tangible property taxes actually paid on such property and the tax that would have been due if the listing percentage for the property had been 20%. For 1981, this credit was equal to about 50% of the taxes paid on qualified equipment.

EXEMPTIONS AND EXCEPTIONS:

1. Property not used in business; i.e., property owned and not used for gain by any level of government, schools, churches, colleges, etc. (R.C. 5701.08, 5709.07, 5709.08, and 5709.12).
2. Registered motor vehicles and licensed aircraft (R.C. 5701.03 and 5709.01).
3. Personal property used in agriculture (R.C. 5701.08).
4. Patterns, jigs, dies, and drawings used in business which are held for use and not for sale (R.C. 5701.03).
5. Certified air, water, and noise pollution control equipment (R.C. 5709.25 and 6111.35).
6. Tangible personal property of domestic and foreign insurance companies, financial institutions, and dealers in intangibles (except property held by financial institutions or dealers in intangibles for the purpose of leasing to others) (R.C. 5725.25 and 5725.26).
7. Machinery and equipment while under construction and not capable of operation (R.C. 5701.08).
8. Certified energy conversion facilities -- property used to convert a commercial or industrial facility from the use of natural gas or fuel oil to any other fuel except propane, butane, or naptha (R.C. 5709.50).
9. Certified thermal efficiency improvement facilities -- property used for recovery and use of waste heat, or steam produced in generating electricity, heat generation, lighting, refrigeration, or space heating (R.C. 5709.50).
10. Certified solid waste energy conversion facilities -- property used to convert solid waste from industrial operations into energy for some useful purpose (R.C. 5709.50).
11. Inventories held for use in a foreign trade zone (R.C. 5709.44).
12. Property in a public recreational facility used for athletic events if certain criteria are met (5709.081).
13. Property shipped from outside Ohio and held in Ohio for storage only (R.C. 5701.08).

FILING AND PAYMENT DATES (R.C. 319.29, 323.10, 323.16, 323.17, 5711.04, 5711.25, 5719.02):

February 15th to April 30th -- Returns are filed by all businesses during this period unless a time extension of up to 60 days is allowed by the county auditor or Tax Commissioner. Taxpayers first engaging in business after January 1 file a return within 90 days of the day they start business. Single-county corporations, unincorporated businesses, and individuals pay one-half of tax due when filing tax return.

Second Monday in August -- Tax Commissioner certifies preliminary tangible personal property valuations of inter-county corporations to county auditors.

Third Monday in August -- County auditor certifies and delivers tangible personal property list to county treasurer.

September 20th -- Inter-county corporations pay total tax liability by this date. Second half of tax due from all other taxpayers. County commissioners may allow 30-day extension and Commissioner of Tax Equalization may allow additional 15-day extension.

DISPOSITION OF REVENUE (R.C. 319.50, 319.54, 5705.10, 5719.02, 5719.05):

After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts, and special districts according to the taxable values and total voted millage levied by each, or as apportioned by the county budget commission (millage inside the 10-mill limit). In 1981, school districts received about 71% of the total tax revenue, while municipalities received 10%, townships 3%, and counties and special districts 16%.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5701, 5705, 5709, 5711 and 5719.

ADMINISTRATION (R.C. 5711.11, 5711.13):

Each county auditor is a deputy of the Tax Commissioner for purposes of this tax. Taxpayers are required to file annual returns with either the Tax Commissioner or the county auditor. The following table indicates where the returns are filed and who is responsible for assessing the property.

Taxpayers	File With And Tax Assessed By
Inter-county corporations (corporations with taxable property in more than one Ohio county)	Tax Commissioner
Single-county corporations (corporations with taxable property in only one Ohio county)	County Auditor
Unincorporated businesses	County Auditor

RECENT LEGISLATION:

Am. Sub. H.B. 351, effective March 17, 1982.

R.C. 5709.61: To qualify as an "Urban Jobs and Enterprise Zone", an area must have all of the following characteristics:

1. it has a single continuous boundary and a population of at least 4,000;
2. it satisfies the requirements of federal assistance under the Urban Development Action Grants Program or the Pockets of Poverty Program;
3. its average unemployment rate is at least 150% of the national rate;
4. it is a low-income poverty area;
5. a substantial number of structures in the area have been abandoned or demolished or taxes are delinquent on a substantial number of structures in the area;
6. at least 70% of the residents of the area have incomes of less than 80% of the median income of the municipality where it is located or the population of all census tracts in the area decreased by at least 10% between 1970 and 1980.

R.C. 5709.62: Until 1988, the most populous municipality (and any municipality with a population within 20,000 of that municipality) of certain counties (counties making expenditures for welfare purposes equal to 1.25% of the total welfare expenditures for all counties) may abate up to 100% of the tangible property taxes for a period of up to 10 years for qualified businesses establishing, expanding, renovating or occupying a facility in an "Urban Jobs and Enterprise Zone."

R.C. 5709.63: Until 1988, the counties (Boards of County Commissioners) may abate up to 50% of the tangible property taxes for a period of up to 10 years for qualified businesses establishing, expanding, renovating, or occupying a facility in an "Urban Jobs and Enterprise Zone."

RECENT SIGNIFICANT COURT DECISIONS:

Refreshment Service Co. v. Lindley, Ohio Supreme Court, 67 Ohio St. 2d 400, July 29, 1981.

In order to have a "beneficial interest" in taxable property for purposes of R.C. 5711.01 (B), one must have all characteristics of ownership other than legal title.

Table 49

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY AND TAXES LEVIED,
CALENDAR YEARS 1977 - 1981

Calendar Year	Value Of Tangible Property	Taxes Levied	Annual Change		Average Tax Rate (in mills)
			Value	Taxes	
1977	$13,710,520,673	$634,346,369	+ 0.90%	+ 0.99%	46.27
1978	14,273,825,343	674,966,591	+ 4.11	+ 6.40	47.29
1979	15,019,475,224	727,688,836	+ 5.22	+ 7.81	48.45
1980	15,649,200,844	765,047,826	+ 4.19	+ 5.13	48.89
1981	16,382,452,426	819,340,054	+ 4.69	+ 7.10	50.01

Table 50

TAXES LEVIED ON TANGIBLE PERSONAL PROPERTY, BY SUBDIVISION,
CALENDAR YEARS 1977 - 1981

Calendar Year	Taxes Levied Currently					Delinquent Taxes From Former Years	Total Taxes And Delinquencies
	City And Village	School District	Township	County	Total		
1977	$73,099,964	$453,444,466	$13,663,596	$ 94,138,342	$634,346,368	$49,115,772	$683,462,140
1978	74,227,797	484,050,843	15,158,077	101,529,874	674,966,591	53,301,652	728,268,243
1979	78,591,503	518,768,378	17,662,100	112,666,855	727,688,836	62,499,382	790,188,218
1980	78,004,731	541,260,758	20,063,708	125,718,629	765,047,826	69,446,632	834,494,458
1981	81,745,593	579,664,583	22,104,259	135,825,619	819,340,054	84,295,853	903,635,907

Table 51

TAXES LEVIED ON TANGIBLE PERSONAL PROPERTY IN OHIO CITIES, BY SUBDIVISION,
CALENDAR YEARS 1977 - 1981

Calendar Year	Taxes Levied Currently					Delinquent Taxes From Former Years	Value of Taxable Property
	City	School District	Township	County	Total		
1977	$67,035,386	$322,998,582	$1,001,235	$68,525,392	$459,560,595	$35,393,979	$ 9,325,277,435
1978	67,363,763	342,146,112	1,130,156	74,002,725	484,642,756	41,522,448	9,662,788,090
1979	71,843,920	359,149,695	1,174,179	84,335,779	516,503,573	48,033,492	10,294,237,799
1980	70,993,042	376,632,536	1,485,197	89,644,517	538,755,292	50,568,898	10,486,887,239
1981	73,019,485	396,426,367	1,510,295	98,653,434	569,609,581	58,624,000	10,814,971,514

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY OF INTER-COUNTY CORPORATIONS
BY INDUSTRY CLASS AND CLASS OF PROPERTY, CALENDAR YEAR 1981[a]

	Manufacturing Machinery & Equipment[b]	Manufacturers' Inventories	Merchants' Inventories	Furniture, Fixtures & All Other Property	Total
Agriculture & Forestry	$ 2,674,130	$ 2,419,730	$ 2,399,730	$ 5,320,670	$ 12,814,260
Mining	215,123,790	24,953,940	24,324,320	34,337,520	298,739,570
Construction	20,032,030	8,946,210	12,970,740	32,547,240	74,496,220
Manufacturing	3,706,500,872	3,967,661,189	507,352,600	497,738,409	8,679,253,070
Transportation	39,199,130	7,286,700	12,294,490	53,471,210	112,251,530
Wholesale Trade	101,094,870	109,541,050	283,408,570	71,502,060	565,546,550
Retail Trade	27,954,510	30,992,150	667,455,726	284,515,224	1,010,917,610
Finance	70,912,070	22,199,600	13,592,944	55,653,096	162,357,710
Service	76,678,630	11,858,680	66,495,660	179,908,810	334,941,780
Unclassified[c]	20,218,458	21,602,471	9,339,730	26,749,791	77,910,450
Total	$4,280,388,490	$4,207,461,720	$1,599,634,510	$1,241,744,030	$11,329,228,750

a) Inter-county corporations are corporations with taxable property in more than one Ohio county.
b) Also includes property used in mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting.
c) Primarily property leased from financial institutions.

Table 53

ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY,
BY CLASS OF PROPERTY, CALENDAR YEARS 1980 - 1981
(dollar amounts in millions)

Class of Property	Schedule	Assessment Levels (Percent of True Value)		Assessed Taxable Value			
				Inter-county Corporations		All Businesses[a]	
		1980	1981	1980	1981	1980[b]	1981[b]
Manufacturing Machinery & Equipment[c]	2	42%	40%	$ 4,138.8	$ 4,280.4	$ 5,394.8	$ 5,599.3
Manufacturers' Inventories	3	37	35	4,072.6	4,207.5	4,941.2	5,119.6
Merchants' Inventories	3A	37	35	1,516.2	1,599.6	3,352.1	3,527.4
Furniture, Fixtures & All Other Property	4	42	40	1,109.3	1,241.7	1,961.1	2,136.2
Total				$10,836.9	$11,329.2	$15,649.2	$16,382.5

a) Includes single-county corporations and unincorporated businesses as well as inter-county corporations.
b) Partially estimated.
c) Also includes property used in mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting.

Table 54

PERCENTAGES APPLIED TO TRUE VALUE OF TANGIBLE PERSONAL PROPERTY
TO DETERMINE TAXABLE VALUE, TAX YEARS 1974 - 1983

Tax Year	Manufacturing Machinery & Equipment[a]	Manufacturers' Inventories	Merchants' Inventories	Restaurant Property	Electrical Equipment[b]	All Other Property[c]
1974	50	45	45	50	100	58
1975	50	45	45	50	100	54
1976	50	45	45	50	100	50
1977	48	43	43	48	100	48
1978	46	41	41	46	100	46
1979	44	39	39	44	100	44
1980	42	37	37	42	100	42
1981	40	35	35	40	100	40
1982	38	35	35	38	100	38
1983[d]	36	35	35	36	100	36

a) Includes property used in mining, laundries, dry cleaning, towel and linen supply, stone and gravel plants, and radio and television broadcasting until 1977.
b) Property used in generating or distributing electricity to others (except utilities).
c) Includes furniture and fixtures.
d) Under current provisions of the Ohio Revised Code.

Table 56

TAXES LEVIED CURRENTLY BY SCHOOL DISTRICTS AND ALL LOCAL GOVERNMENTS
ON TANGIBLE PERSONAL PROPERTY, CALENDAR YEAR 1981, BY COUNTY

County	Taxes Levied Locally on Tangible Personal Property		
	By All Local Governments	By School Districts	
		Amount	Percent Of Total
Adams	$ 411,908	$ 286,175	69.48%
Allen	11,338,320	8,861,309	78.15
Ashland	3,142,014	2,520,221	80.21
Ashtabula	8,404,663	6,034,995	71.81
Athens	822,464	590,608	71.81
Auglaize	2,606,806	2,045,762	78.48
Belmont	4,535,946	3,419,428	75.39
Brown	636,238	466,121	73.26
Butler	21,626,943	16,540,183	76.48
Carroll	1,009,488	751,265	74.42
Champaign	1,671,729	1,375,584	82.29
Clark	8,034,768	6,246,451	77.74
Clermont	7,453,023	5,514,089	73.98
Clinton	1,663,411	1,152,245	69.27
Columbiana	4,586,496	3,556,400	77.54
Coshocton	2,510,002	1,989,852	79.28
Crawford	4,551,497	3,901,579	85.72
Cuyahoga	167,338,440	99,912,105	59.71
Darke	2,107,319	1,411,857	67.00
Defiance	2,801,433	2,241,155	80.00
Delaware	3,090,276	2,490,678	80.60
Erie	7,454,984	5,916,718	79.37
Fairfield	4,845,756	4,064,464	83.88
Fayette	1,090,846	830,165	76.10
Franklin	51,018,146	37,746,227	73.99
Fulton	2,188,574	1,645,758	75.20
Gallia	871,286	698,228	80.14
Geauga	3,146,103	2,292,278	72.86
Greene	3,727,975	2,512,003	67.38
Guernsey	2,407,477	1,737,524	72.17
Hamilton	90,788,160	58,828,477	64.80
Hancock	4,891,072	3,966,310	81.09
Hardin	1,530,074	1,205,949	78.82
Harrison	1,439,092	1,077,307	74.86
Henry	2,147,332	1,670,896	77.81
Highland	853,391	641,248	75.14
Hocking	827,470	566,707	68.49
Holmes	1,448,577	1,033,279	71.33
Huron	3,546,620	2,826,857	79.71
Jackson	924,858	624,469	67.52
Jefferson	5,978,197	4,393,359	73.49
Knox	2,127,722	1,729,455	81.28
Lake	19,226,987	14,074,848	73.20
Lawrence	1,625,132	1,223,777	75.26
Licking	6,860,700	5,542,098	80.78
Logan	$ 1,988,695	$ 1,597,057	80.31%
Lorain	23,148,217	17,531,914	75.74
Lucas	42,437,543	30,973,247	72.99
Madison	844,659	607,484	71.92
Mahoning	14,751,180	10,483,671	71.07
Marion	5,556,832	4,330,303	77.93
Medina	6,210,799	5,133,195	86.65
Meigs	1,091,765	777,897	71.25
Mercer	2,154,628	1,763,258	81.84
Miami	7,260,736	5,792,811	79.78
Monroe	3,740,940	3,041,760	81.31
Montgomery	46,196,251	31,073,025	66.83
Morgan	667,965	510,076	76.36
Morrow	335,848	242,503	72.21
Muskingum	5,156,384	3,783,447	73.37
Noble	397,259	307,046	77.29
Ottawa	2,628,629	2,108,365	80.21
Paulding	887,317	627,281	70.69
Perry	728,618	537,079	73.71
Pickaway	3,031,240	2,289,200	75.52
Pike	727,617	481,219	66.14
Portage	7,281,268	5,846,452	80.29
Preble	871,686	654,550	75.09
Putnam	1,191,353	903,296	75.82
Richland	11,383,167	9,004,149	79.10
Ross	4,876,567	3,694,300	75.76
Sandusky	4,639,158	3,567,402	76.90
Scioto	3,333,112	2,367,386	71.03
Seneca	5,973,858	4,892,201	81.89
Shelby	3,857,183	3,019,701	78.29
Stark	28,392,430	22,323,997	78.63
Summit	36,862,447	24,673,988	66.94
Trumbull	21,445,945	16,533,345	77.09
Tuscarawas	5,528,939	4,285,913	77.52
Union	2,562,934	2,025,909	79.05
Van Wert	2,079,689	1,476,721	71.01
Vinton	568,770	359,521	63.21
Warren	3,545,065	2,868,040	80.90
Washington	5,274,761	4,197,585	79.58
Wayne	7,097,911	5,738,136	80.84
Williams	3,536,435	2,932,834	82.93
Wood	6,528,656	5,166,001	79.13
Wyandot	1,254,883	984,855	78.48
Total	$819,340,054	$579,664,583	70.75%

INTANGIBLE PROPERTY TAXES

Ohio law provides for the taxation of six classes of intangible property -- investments, deposits, credits, money, other intangible property, and shares in and capital employed by dealers in intangibles and financial institutions. Although all of these types of property are included on the intangible property tax lists, we have separated the descriptive section on the intangible property tax into 3 divisions. This separation is based on the differing administrative procedures followed based on the identity of the taxpayer. The three divisions are: (1) intangible property taxes paid by individuals, unincorporated businesses, non-financial corporations, and public utilities; (2) intangible property taxes paid by financial institutions; and (3) intangible property taxes paid by dealers in intangibles. Data for tax collections from all three of these groups are shown in the combined tables following the tax descriptions.

Total taxes levied on intangible property in calendar year 1981 were $269,340,965 -- an increase of about 7.5% from the previous year. Taxes levied and payable to the State Treasurer were $152,618,023 in calendar year 1981, with $141,001,042 allocated to the 88 county undivided local government funds and $11,616,981 allocated to the state general revenue fund. Taxes levied and payable to county treasurers and allocated to the 88 undivided county classified property tax funds amounted to $116,722,942 in calendar year 1981, with $107,422,599 of this amount distributed to libraries.

INTANGIBLE PROPERTY TAXES PAID BY INDIVIDUALS, UNINCORPORATED BUSINESSES, NON-FINANCIAL CORPORATIONS, AND PUBLIC UTILITIES

Intangible property taxes paid by these taxpayers are paid to either the State Treasurer (state-collected) or the county treasurers (locally-collected). Intangible property taxes paid by public utilities and inter-county corporations (corporations with taxable property in more than one county) are collected by the State Treasurer. Taxes on the intangible property of individuals, unincorporated businesses, and single-county corporations (corporations with taxable property in only one county) are collected by the treasurer of the county where the taxpayers reside or do business. Total intangible taxes levied on these taxpayers in calendar year 1981 amounted to $123,637,484 -- with $6,914,542 of this amount payable to the State Treasurer (deposited in state general revenue fund) and $116,722,942 payable to county treasurers (deposited in county undivided classified property tax funds).

TAX BASE (R.C. 5701.04-5701.10, 5711.22, 5725.05) AND RATES (R.C. 5707.03, 5707.04) (See: "Recent Legislation" for changes effective in fiscal year 1982):

Type of Property[a]	Base	Rate
Investments:		
productive	Income Yield	5.0%
unproductive	Value	0.2% (2 mills)
Deposits	Value	0.2% (2 mills)
Credits	Value	0.3% (3 mills)
Money and Other Intangible Property	Value	0.3% (3 mills)

(a) Definitions:

"Investments" include: (1) shares of stock in corporations, associations, or joint stock companies; (2) interest-bearing obligations such as notes, corporate and municipal bonds, and deposits in financial institutions located outside of Ohio (if income yield exceeds 4%); (3) land contracts, annuities, and royalties from patents; and (4) equitable interests (including trusts and life estates) in any of these investments.

"Deposits" include: deposits in financial institutions (unless the tax is paid by the financial institution), member shares of federal credit unions, and postal savings accounts. Financial institutions in Ohio are required to pay the tax for their depositors.

TAX BASE AND RATES (cont'd):

"Credits" are the excess of current accounts receivable over current accounts payable. Tax applies only to accounts used in business.

"Money" includes: (1) gold, silver, and other coins; (2) U.S. legal tender notes; and (3) other notes and certificates of the U.S. intended for circulation.

"Other intangible property" includes every valuable right, title, or interest not included in the other definitions of intangible property unless expressly excluded from those definitions. Examples include escrow accounts, deposits with utilities, and surety bonds.

EXEMPTIONS AND EXCEPTIONS:

Exemptions (R.C. 140.08, 5709.02, 5709.04, 5709.041, 5725.26):

1. Intangible property belonging to organizations operated exclusively for the following purposes: religious, educational, charitable, scientific, literary, health, hospital, other public purposes, prevention of cruelty to children or animals, homes for the aged.

2. Deposits representing withheld taxes, and deposits not used in business to the extent that they represent funds belonging to non-residents of Ohio.

3. Delayed price sales agreements for grain or soybeans if entered into by a person engaged in agriculture.

4. State bonds issued under Constitutional and Ohio Revised Code sections authorizing exempt status.

5. Bonds issued by public hospital agencies.

6. Shares owned by a corporation in any other corporation or its own treasury stock.

7. Shares owned by an unincorporated mutual fund.

8. All intangible property of financial institutions and dealers in intangibles.

Exceptions (R.C. 5701.06):

1. Shares of stocks as follows:

   Issued by instrumentalities of the federal government;
   In financial institutions, dealers in intangibles, and domestic insurance companies;
   Defined as deposits.

2. Interest-bearing obligations as follows:

   Issued by the U.S. or any of its territories, districts, or dependencies;
   Issued by any instrumentality of the federal government;
   Issued prior to 1913 by the state of Ohio or any subdivision;
   Defined as deposits and current accounts.

3. Contractual obligations for payment of money as follows:

   Interest in land;
   Contracts of insurance;
   Contracts of employment or partnership and retirement annuities resulting therefrom;
   Pension and profit-sharing plans.

TAXPAYER (R.C. 5711.01, 5727.01), DATES OF PAYMENT (R.C. 323.16, 5719.02, 5725.06, 5725.22), DISPOSITION OF REVENUE (R.C. 5725.24,5707.05) AND RETURN DATES (R.C. 5711.02, 5711.13, 5727.08, 5727.17):

Except for public utilities, returns must be filed between February 15th and April 30th (public utilities file returns including all of their property by March 1st) unless time extension of 60 days is allowed by county auditor or Tax Commissioner. The Tax Commissioner certifies the intangible property values of inter-county corporations and public utilities to the State Auditor by the second Monday in August and the first Monday in October, respectively.

Intangible Taxes Collected by State Treasurer

Taxpayer	Payment Dates	Disposition of Revenue
Inter-county Corporations	September 30	State General Revenue Fund
Public Utilities	November 30	State General Revenue Fund

Intangible Taxes Collected by County Treasurers

Individuals	April 30 and September 20	Undivided Classified Property Tax Fund (primarily distributed to libraries but including municipalities, counties, and township park districts).
Unincorporated Businesses	April 30 and September 20	
Single-county Corporations	April 30 and September 20	

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5701, 5705, 5707, 5709, 5711, 5719, 5725, 5727.

ADMINISTRATION (R.C. 5711.11, 5711.13):

Each county auditor is a deputy of the Tax Commissioner for the purpose of administering the intangible property tax (except the tax on public utilities). Taxpayers are required to file returns with either the Tax Commissioner or the county auditor. The following table indicates where the returns are filed and who is responsible for assessing the property.

Taxpayer	Filed With And Tax Assessed By
Inter-county corporations (corporations with taxable property in more than one Ohio county)	Tax Commissioner
Public utilities	Tax Commissioner
Single-county corporations (corporations with taxable property in only one Ohio county)	County Auditor
Individuals and Unincorporated Businesses	County Auditor

RECENT LEGISLATION:

Am. Sub. H.B. 694, effective November 15, 1981.

R. C. 5707.04: Reduces tax rate on deposits from 2 mills to 1.375 mills for 1982 and 1983. Exempts deposits in 1984 and thereafter.

R.C. 5711.341: Requires unincorporated issuers of money market investments to file a list of investors in the same manner that corporations must file a list of shareholders.

RECENT SIGNIFICANT COURT DECISIONS:

First Banc Group of Ohio Inc. v. Lindley, Ohio Supreme Court, 68 Ohio St. 2d 81, December 2, 1981.

If the Tax Commissioner assesses intercompany accounts receivable not listed in the taxpayer's separate return, the taxpayer may file an amended consolidated return to eliminate the intercompany indebtedness if the requirements of R.C. 5711.14 are met.

INTANGIBLE PROPERTY TAXES PAID BY FINANCIAL INSTITUTIONS

Financial institutions pay intangible property taxes on the value of their deposits and the value of their shares or capital employed. The depositors need not pay tax on deposits when the tax has been paid by a financial institution. Taxes levied on deposits in Ohio financial institutions amounted to $130,149,234 in 1981, while $12,660,391 were levied on shares in financial institutions.

H. B. 694, effective November 15, 1981, made major changes in the taxes paid by financial institutions. It repealed the tax on shares of financial institutions and reduced the tax rate applied to deposits from 2 mills to 1.375 mills for 1982 and 1983. Deposits are exempt starting in 1984. At the same time, financial institutions were made subject to the corporate franchise tax.

TAX BASE (R.C. 5701.05, 5725.04, 5725.05) AND RATES (R.C. 5707.03) (See: "Recent Legislation" for changes effective in fiscal year 1982):

Type of Property	Base	Rate
Deposits[a]	value	0.2% (2 mills)
Shares In and Capital Employed By[b]	value	0.3% (3 mills)

[a] Includes running and paid-up stock of building and loan associations and members' withdrawable shares in credit unions.

[b] Includes capital stock, surplus, undivided profits, and reserves.

EXEMPTIONS (R.C. 5709.03, 5709.04, 5709.041, 5725.03, 5725.04, and Tax Commissioner Rule 5703-3-19):

Exempt deposits include deposits of:

1. the federal government or any of its agencies;
2. the state or any of its subdivisions;
3. other financial institutions;
4. dealers in intangibles;
5. domestic insurance companies;
6. charitable, religious, educational, etc. organizations;
7. non-residents when not used in business;
8. any depositor when the deposit represents taxes withheld on persons other than the depositor;
9. a business when the deposit has a legal situs outside of Ohio.

EXEMPTIONS (R.C. 5709.03, etc., cont'd):

Exempt shares include shares owned by:

1. charitable organizations;
2. dealers in intangibles;
3. domestic insurance companies;
4. other financial institutions.

TAXPAYER (R.C. 5725.01):

Firms having an office in Ohio when the firm is:

1. engaged in business of receiving deposits, lending money, and buying and selling bullion, bills of exchange, notes, bonds, stocks, or other evidence of indebtedness (state and national banks, federal savings and loan associations, state building and loan associations, state-chartered credit unions);
2. licensed as a small business investment company;
3. chartered as a production credit association.

FILING AND PAYMENT DATES (R.C. 5725.02, 5725.06, 5725.10, 5725.22):

Second Monday in March -- Returns must be filed by this date unless a time extension (not to exceed 60 days) is allowed by the Tax Commissioner.

First Monday in June -- Tax Commissioner certifies tax base to the State Auditor.

July 31 -- Payment to State Treasurer is due.

DISPOSITION OF REVENUE (R.C. 5725.24):

Deposits -- All receipts are distributed to the county where the deposit is held. The revenue is placed in each county's undivided local government fund and distributed among the local subdivisions by the county budget commissions.

Shares in and Capital Employed:

a) One third of receipts credited to the state general revenue fund.
b) Two thirds of receipts distributed to county where principal office of the financial institution is located. Revenue placed in each county's undivided local government fund and distributed among the local subdivisions by the county budget commission.

OHIO REVISED CODE CITATIONS:

Chapters 5701, 5707, 5709, 5719, and 5725.

ADMINISTRATION (R.C. 5725.02, 5725.07):

Returns are filed with the Tax Commissioner -- who determines the taxable values. Taxes are collected by the State Treasurer.

RECENT LEGISLATION:

H.B. 200, effective August 25, 1981.

Suspends authority of financial institutions to charge their depositors for taxes paid on deposits. This suspension is effective until June 30, 1983 and continues a suspension which expired June 30, 1981.

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5707.03: Reduces tax rate on deposits from 2 mills to 1.375 mills for 1982 and 1983. Deposits are exempt in 1984 and thereafter. Repeals tax on shares in and capital employed by financial institutions.

Section 196: Financial institutions which are not subject to the corporate franchise tax for tax year 1982 (financial institutions with taxable years ending prior to November 15, 1981) are subject to a share tax of 1.5 mills in 1982.

INTANGIBLE PROPERTY TAXES PAID BY DEALERS IN INTANGIBLES

Dealers in intangibles pay intangible property taxes on the fair value of the shares of their stockholders allocated to Ohio on the basis of gross receipts. Taxes levied on shares of dealers in intangibles amounted to $2,893,856 in 1981.

TAX BASE (R.C. 5725.13, 5725.14, 5725.15):

The tax base for dealers in intangibles is either:

1. shares of stock of incorporated dealers in intangibles and unincorporated dealers in intangibles with capital stock divided into shares; or

2. capital employed in Ohio by an unincorporated dealer in intangibles with capital stock not divided into shares.

For dealers in intangibles with offices in more than one state, the tax base is allocated to Ohio based on gross receipts from offices in Ohio.

RATES (R.C. 5707.03):

Rate on fair value of shares or capital employed is 6 mills.

EXEMPTIONS (R.C. 5709.04, 5725.01, 5725.26):

Excluded from definition of dealer in intangibles:

1. institutions used exclusively for charitable purposes;
2. insurance companies;
3. financial institutions.

Shares owned by the following are excluded from base:

1. financial institutions;
2. domestic insurance companies;
3. institutions used exclusively for charitable purposes;
4. other dealers in intangibles.

TAXPAYER (R.C. 5725.01):

Firms having an office in Ohio and engaged in: (1) lending money; (2) discounting, buying, or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness; or (3) buying or selling bonds, stocks, or other investment securities.

FILING AND PAYMENT DATES (R.C. 5725.06, 5725.10, 5725.14, 5725.16, 5725.22):

Second Monday in March -- Returns must be filed by this date unless a time extension (not to exceed 60 days) is allowed by the Tax Commissioner.

First Monday in June -- Tax Commissioner certifies tax base by county to State Auditor.

July 31 -- Payment to State Treasurer is due.

DISPOSITION OF REVENUE (R.C. 5725.15, 5725.24):

1. One mill of receipts credited to state General Revenue fund.

2. Five mills of receipts distributed to the county where the firm's capital was employed (determined on the basis of gross receipts). Revenue is placed in each county's undivided local government fund and distributed among the local subdivisions by the county budget commission.

OHIO REVISED CODE CITATIONS:

Chapters 5707, 5709, and 5725.

ADMINISTRATION (R.C. 5725.14):

Returns are filed with the Tax Commissioner -- who determines the taxable values. Taxes are collected by the State Treasurer.

Table 57

INTANGIBLE PROPERTY TAXES LEVIED, BY LEVEL OF COLLECTION AND DISTRIBUTION OF FUNDS, CALENDAR YEAR 1981

Collected By	Allocation to County Undivided Local Government Funds	Undivided County Classified Property Tax Funds	State General Revenue Fund	Total
County Treasurer	-	$116,722,942*	-	$116,722,942
State Treasurer	$141,001,042	-	$11,616,981	$152,618,023
Total	**$141,001,042**	**$116,722,942**	**$11,616,981**	**$269,340,965**

* $107,422,599 was distributed to public libraries.

Source: Department of Tax Equalization and Department of Taxation.

Table 58

INTANGIBLE PROPERTY TAXES LEVIED, BY LEVEL OF COLLECTION AND FORM OF PROPERTY,
CALENDAR YEARS 1977 - 1981

Level of Collection and Form of Property	1977	1978	1979	1980	1981
Locally-Collected[a]					
Productive Investments	$ 73,073,831	$ 79,672,874	$ 86,002,745	$ 96,094,059	$106,877,698
Unproductive Investments	2,201,493	2,165,844	2,353,574	2,670,636	3,205,952
Deposits	237,537	240,385	251,232	293,696	309,590
Credits	3,970,488	4,289,429	4,781,476	5,334,348	5,673,744
Money & Other Intangibles	500,747	511,075	509,270	556,314	655,958
Total -- Locally-Collected	$ 79,984,096	$ 86,879,607	$ 93,898,297	$104,949,053	$116,722,942
State-Collected					
Public Utility Companies:					
Productive Investments	$ 30,994	$ 31,494	$ 203,505	$ 98,175	$ 48,634
Unproductive Investments	26,514	33,861	17,349	15,943	15,308
Deposits	61,238	30,493	31,827	34,150	29,707
Credits	213,875	145,115	94,602	140,651	152,916
Money & Other Intangibles	8,103	36,917	68,565	77,479	100,712
Total	$ 340,724	$ 277,880	$ 415,848	$ 366,398	$ 347,277
Intercounty Corporations:					
Productive Investments	$ 2,131,191	$ 2,069,501	$ 2,321,860	$ 2,327,322	$ 2,182,524
Unproductive Investments	434,923	640,747	668,586	728,263	841,407
Deposits	410,887	415,597	305,861	332,134	382,557
Credits	2,211,025	2,476,185	2,857,028	2,889,594	2,818,423
Money & Other Intangibles	296,471	334,019	344,463	342,947	342,354
Total	$ 5,484,497	$ 5,936,049	$ 6,497,798	$ 6,620,260	$ 6,567,265
Financial Institutions and Dealers in Intangibles:					
Deposits In:					
Banks	$ 49,509,331	$ 53,840,190	$ 58,795,784	$ 61,606,797	$ 65,912,985
Savings & Loans	43,144,553	49,149,843	54,200,240	58,595,869	62,062,327
State Credit Unions	1,550,860	1,783,413	1,997,137	2,077,155	2,173,922
Federal Credit Unions	810,045	863,045	517,789	0	0
Total	$ 95,014,789	$105,636,491	$115,510,950	$122,279,821	$130,149,234
Shares In:					
Banks	$ 9,674,670	$ 10,525,158	$ 8,246,022	$ 5,136,388	$ 5,135,926
Savings & Loans	4,838,659	5,461,105	6,166,788	6,539,294	6,709,788
State Credit Unions	223,089	254,184	297,061	333,073	355,078
Small Business Investment Co.	252,883	307,247	347,214	399,344	459,599
Dealers in Intangibles	3,023,727	2,920,458	3,099,083	3,786,641	2,893,856
Total	$ 18,013,028	$ 19,468.152	$ 18,156,168	$ 16,194,740	$ 15,554,247
Total -- State-Collected	$118,853,038	$131,318,372	$140,580,764	$145,461,219	$152,618,023
Grand Total	$198,837,134	$218,198,179	$234,479,061	$250,410,272	$269,340,965

(a) Includes property of individuals, partnerships, and single-county corporations.

SOURCE: Ohio Department of Tax Equalization and Ohio Department of Taxation.

Table 59

INTANGIBLE TAXES LEVIED, BY FORM OF PROPERTY,
CALENDAR YEARS 1980 AND 1981

Form of Property Subject to Tax	Tax Rate	1980 Amount	1980 Percent of Total	1981 Amount	1981 Percent of Total
Productive Investments:	0.05				
Individuals, Partnerships, and Single-county Corporations		$ 96,094,059		$106,877,698	
Public Utilities		98,175		48,634	
Inter-county Corporations		2,327,322		2,182,524	
Total		$ 98,519,556	39.34%	$109,108,856	40.51%
Unproductive Investments:	0.002				
Individuals, Partnerships, and Single-county Corporations		$ 2,670,636		$ 3,205,952	
Public Utilities		15,943		15,308	
Inter-county Corporations		728,263		841,407	
Total		$ 3,414,842	1.36%	$ 4,062,667	1.51%
Deposits:	0.002				
Outside the State:					
Individuals, Partnerships, and Single-county Corporations		$ 293,696		$ 309,590	
Public Utilities		34,150		29,707	
Inter-county Corporations		332,134		382,557	
In Ohio Financial Institutions		122,279,821		130,149,234	
Total		$122,939,801	49.10%	$130,871,088	48.59%
Credits:	0.003				
Individuals, Partnerships, and Single-county Corporations		$ 5,334,348		$ 5,673,744	
Public Utilities		140,651		152,916	
Inter-county Corporations		2,889,594		2,818,423	
Total		$ 8,364,593	3.34%	$ 8,645,083	3.21%
Money and Other Intangibles:	0.003				
Individuals, Partnerships, and Single-county Corporations		$ 556,314		$ 655,958	
Public Utilities		77,479		100,712	
Inter-county Corporations		342,947		342,354	
Total		$ 976,740	0.39%	$ 1,099,024	0.41%
Shares and Capital Employed In:					
Financial Institutions	0.003	$ 12,408,099		$ 12,660,391	
Dealers in Intangibles	0.006	3,786,641		2,893,856	
Total		$ 16,194,740	6.47%	$ 15,554,247	5.77%
Grand Total		$250,410,272	100.00%	$269,340,965	100.00%

Table 60

INTANGIBLE PROPERTY TAXES LEVIED FOR LOCAL GOVERNMENT PURPOSES,
CALENDAR YEAR 1981, BY COUNTY

County	Locally-Collected(1)	State-Collected(2)	Total	County	Locally-Collected(1)	State-Collected(2)	Total
Adams	$ 33,673	$ 174,796	$ 208,469	Logan	$ 210,859	$ 500,952	$ 711,811
Allen	927,018	1,945,703	2,872,721	Lorain	1,521,146	2,830,475	4,351,621
Ashland	395,620	553,184	948,804	Lucas	5,068,294	6,649,163	11,717,457
Ashtabula	578,720	1,139,417	1,718,137	Madison	124,271	294,110	418,381
Athens	179,565	401,433	580,998	Mahoning	2,120,041	3,839,363	5,959,404
Auglaize	406,114	607,496	1,013,610	Marion	419,813	847,784	1,267,597
Belmont	458,858	1,104,318	1,563,176	Medina	744,479	1,010,732	1,755,211
Brown	167,292	303,758	471,050	Meigs	53,234	161,489	214,723
Butler	1,940,719	2,592,956	4,533,675	Mercer	295,145	621,345	916,490
Carroll	117,387	168,263	285,650	Miami	1,009,802	1,147,953	2,157,755
Champaign	172,314	403,541	575,855	Monroe	33,541	81,776	115,317
Clark	970,529	1,583,209	2,553,738	Montgomery	6,786,933	7,498,039	14,284,972
Clermont	518,647	708,227	1,226,874	Morgan	51,056	113,906	164,962
Clinton	351,382	383,025	734,407	Morrow	77,308	146,936	224,244
Columbiana	645,197	1,239,221	1,884,418	Muskingum	554,478	966,611	1,521,089
Coshocton	298,082	393,964	692,046	Noble	24,744	113,279	138,023
Crawford	331,233	711,551	1,042,784	Ottawa	300,541	486,140	786,681
Cuyahoga	25,686,110	28,676,353	54,362,463	Paulding	71,214	176,642	247,856
Darke	323,650	709,094	1,032,744	Perry	52,255	193,091	245,346
Defiance	220,443	654,289	874,732	Pickaway	161,527	380,711	542,238
Delaware	522,256	428,110	950,366	Pike	66,664	165,852	232,516
Erie	942,087	882,604	1,824,691	Portage	804,280	1,011,764	1,816,044
Fairfield	684,338	870,650	1,554,988	Preble	155,287	334,942	490,229
Fayette	194,811	300,009	494,820	Putnam	143,770	468,406	612,176
Franklin	10,137,210	12,120,173	22,257,383	Richland	1,429,023	1,580,120	3,009,143
Fulton	258,393	595,002	853,395	Ross	326,738	637,688	964,426
Gallia	108,769	285,055	393,824	Sandusky	423,172	814,074	1,237,246
Geauga	1,389,293	591,921	1,981,214	Scioto	329,365	799,870	1,129,235
Greene	783,474	1,102,734	1,886,208	Seneca	500,664	1,004,562	1,505,226
Guernsey	144,357	540,399	684,756	Shelby	356,326	544,336	900,662
Hamilton	20,909,704	13,632,732	34,542,436	Stark	3,703,798	5,296,801	9,000,599
Hancock	781,648	883,046	1,664,694	Summit	5,538,940	6,058,543	11,597,483
Hardin	133,476	379,540	513,016	Trumbull	1,696,631	2,675,488	4,372,119
Harrison	211,268	155,573	366,841	Tuscarawas	549,876	1,113,640	1,663,516
Henry	218,563	378,167	596,730	Union	203,838	333,954	537,792
Highland	205,982	422,494	628,476	Van Wert	225,393	368,607	594,000
Hocking	70,225	230,226	300,451	Vinton	20,240	77,559	97,799
Holmes	133,727	255,433	389,160	Warren	533,297	608,183	1,141,480
Huron	335,819	634,272	970,091	Washington	375,328	715,057	1,090,385
Jackson	152,960	291,811	444,771	Wayne	892,218	1,289,700	2,181,918
Jefferson	535,533	1,122,896	1,658,429	Williams	388,961	538,007	926,968
Knox	301,330	539,763	841,093	Wood	1,579,854	1,114,716	2,694,570
Lake	2,193,431	2,255,565	4,448,996	Wyandot	156,869	354,857	511,726
Lawrence	105,369	433,820	539,189				
Licking	796,386	1,248,023	2,044,409	Total	$117,054,175	$141,001,039	$258,055,214

(1) Taxes paid by individuals, unincorporated businesses, and corporations with property in only one Ohio county.
(2) 2 mills of receipts from share tax on financial institutions, 2-mill tax on deposits paid by financial institutions, 5 mills of receipts from tax on shares in and capital employed by dealers in intangibles.

SOURCE: Ohio Department of Tax Equalization and Ohio Department of Taxation.

PUBLIC UTILITY EXCISE TAX

The public utility excise tax, a tax for the privilege of doing business in Ohio, is payable by virtually all companies classified by statute as public utilities. Companies liable for this tax do not pay the corporation franchise tax. Only utilities owned by municipal corporations are exempt from the public utility excise tax.

Both tax base and rates vary with the class of utility. Gross receipts or gross earnings comprise the tax base for most utility classes, with rates ranging from 4.35% to 7% for 1981. The rate is 3.5% for companies which are taxed on a capital stock base. (See "Recent Legislation" for rate changes effective for 1982 and 1983.) Companies with a preceding year's tax liability of $1,000 or more are liable during each calendar year for three advance payments -- each in an amount equal to one-third or one-fourth of the previous year's certified tax liability, depending on the type of utility. Where the current year's total tax liability as certified to the Auditor of State exceeds the sum of the three advance payments, a final payment is due in December for the difference.

Total public utility excise taxes of $468.5 million were certified in November, 1981. Electric light companies accounted for about 53% of total taxes levied, while the natural gas industry accounted for 25% and the telephone industry accounted for 20% of the total. Therefore, these three main industries were responsible for 98% of the total excise taxes on public utilities.

TAX BASE (R.C. 5727.01, 5727.26, 5727.38, 5727.39, 5727.40, 5727.41):

Gross receipts, gross earnings, or value of capital stock, depending upon class of utility.

EXEMPTIONS AND DEDUCTIONS (R.C. 5727.05, 5727.33, 5727.34, 5727.38, 5727.44) (See "Recent Legislation" for changes effective in fiscal year 1982.):

Exempt Utilities:

1. Municipally-owned utilities.

Deductions from Gross Receipts:

1. $25,000 for electric, gas, water, and telephone companies.
2. Amounts attributable to sales of merchandise and electrical appliances.
3. Amounts determined by special formula for utilities operating in municipal corporations whose voter-approved charters allow property tax rates not subject to additional voter approval to be higher than the 10 mills otherwise pemitted by state law. Charter-city deduction equals 1% of charter-city portion of company's tax base (as apportioned by the utility's property values) times the ratio of "excess millage" to 5 mills. "Excess millage" equals the excess over 10 mills of the sum of (a) county, township, and school district levies within the 10-mill limit, and (b) municipal operating levies within the municipality's charter limitation, whether within or outside the 10-mill limit. (Repealed effective for 1982.)
4. Receipts derived wholly from interstate business.
5. Sales to other public utilities for resale.
6. Receipts from business done for the federal government.

TAX BASE AND RATES (See "Recent Legislation" for changes effective in fiscal year 1982):

Utility Class	Base	Tax Rate[a] 1977-1980	Tax Rate[a] 1981
Electric Light, Rural Electric, Intrastate Toll Bridge, Artificial Gas, Natural Gas, Waterworks, Telephone, Telegraph, Union Depot, Heating, Cooling, and Water Transportation (R.C. 5727.38, 5727.39, and 5727.81)	Gross Receipts	4.00%	5.00%
Railroads (R.C. 5727.40	Gross Earnings	4.50%	5.50%
Express (R.C. 5727.39, 5727.81)	Gross Receipts	4.65%	5.65%
Messenger (R.C. 5727.38)	Gross Receipts	3.35%	4.35%
Pipe Line (R.C. 5727.41)	Gross Receipts	6.00%	7.00%
Freight line and Equipment (R.C. 5727.27, 5727.81)	Capital Stock	3.50%	3.50%

(a) Minimum tax is $10 for all utilties except freight line and equipment companies.

TAX REPORTING AND CERTIFICATION DEADLINES:

Utility Class	Deadline	For
Freight Line, and Equipment Companies (R.C. 5727.24, 5727.25 5727.26, 5727.27)	May 31*	Company's annual statement to Tax Commissioner for preceding calendar year.
	First Monday in September	Commissioner's determination of amount of capital stock.
	First Monday in November	Commissioner's certification of tax base to Auditor of State.
Railroads (R.C. 5727.31, 5727.32, 5727.34, 5727.37)	September 1*	Company's annual statement to Tax Commissioner for year ending on June 30.
	First Monday in October	Commissioner's determination of gross earnings.
	First Monday in November	Commissioner's certification of tax base to Auditor of State.
All Other Public Utilities (R.C. 5727.31, 5727.32 5727.33, 5727.36)	August 1*	Company's annual statement to Tax Commissioner for year ending on April 30 (June 30 for express, telephone, and telegraph companies).
	First Monday In September	Commissioner's determination of gross receipts.
	First Monday in November	Commissioner's certification of tax base to Auditor of State.

*Subject to time extension of 60 days (R.C. 5727.48).

TAX PAYMENT DEADLINES (See "Recent Legislation" for changes effective in fiscal year 1982.):

Utility Class	Deadlines	For
All Utility Companies except Freight Line & Equipment Companies (R.C. 5727.31)	January 15, March 1, and June 1	Reports to Tax Commissioner and advance payments to State Treasurer for tax liability to be certified for collection in December. Each payment equal to one-third of previous year's liability. These reports and payments are due from each utility with an excise tax liability for the previous year in excess of $1,000.
Freight Line and Equipment Companies (R.C. 5727.24)	March 1, June 1, and September 1	Reports to Tax Commissioner and advance payments to State Treasurer for tax liability to be certified for collection in December. Each payment equal to one-fourth of previous year's liability. These reports and payments are due from each company with an excise tax liability for the previous year in excess of $1,000.
All Utility Companies (R.C. 5727.38-5727.39, 5727.40, 5727.41, 5727.42)	Third Monday in November	State Auditor's certification to Treasurer of State of amounts of tax charged for collection from each utility.
All Utility Companies (R.C. 5727.45)	Fourth Monday in December	(Or by 20th day following Treasurer's mailing of notification, whichever date is later.) Final payment equal to total tax certified for collection for the current year, less advance payments made.

DISPOSITION OF REVENUE (R.C. 5727.45, 5727.82):

All to state General Revenue Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5727.

RECENT LEGISLATION:

Am. Sub. H.B. 694, effective November 15, 1981.

R.C. 5727.27; 5727.38-5727.41: Increase permanent statutory rates by 0.25%.

SECTION 2: Repeals Section 5727.44 which allowed a tax credit for utilities having property in municipalities with charters authorizing tax levies in excess of the ten-mill limitation (charter-city credit).

SECTION 154: Advance payments due in 1982 must be computed as if the charter-city credit was not in effect in 1981.

RECENT LEGISLATION (cont.):

SECTION 185: Imposes a 5.55% surtax on the regular tax portion of the advance payments due in January, March, and June of 1982. This surtax does not apply to the taxes levied by R.C. 5727.81 (poor-relief rates). Payment of the surtax is due June 15, 1982.

SECTION 186: Provides that the Director of the Office of Budget and Management may waive the surtax imposed by Section 185 - if anticipated revenues are sufficient to meet proposed obligations. (Note: The surtax was not waived.)

SECTION 187: Establishes temporary rates (0.25% greater than the permanent rates) for all utilities except freightline and equipment companies for 1982 only. Requires the advance payments due in 1982 from these classes to be one-third of the 1981 tax base multiplied by the 1982 rates.

SECTION 188: Requires that the advance payment previously due January 15, 1983 be estimated and paid by October 15, 1982. This advance payment and the ones required in March and June of 1983 are adjusted to reflect the rate decrease in 1983.

Am. Sub. H.B. 552, effective November 24, 1981.

SECTION 60: (Amends Section 185 of H.B. 694, effective November 15, 1981.) Applies 5.55% surtax to the regular tax portion of the 1982 tax liability (previously the surtax applied only to the advance payments). Estimated payment of the surtax (equal to 5.55% of advance payments due in January, March, and June) is due June 15, 1982.

Am. Sub. S.B. 530, effective June 25, 1982.

R.C. 5727.57: Provides that the interest charged on judgments for taxes, fees, or penalties is determined using the interest rates prescribed by Section 5703.47 (the discount rate on ninety-day commercial paper at the Cleveland federal reserve bank as of October 15th of the previous year).

SECTION 4: Extends the 1982 temporary rates to 1983.

SECTION 7: Extends the 5.55% surtax to 1983 and makes it applicable to the total tax instead of the regular tax portion only.

Table 61

PUBLIC UTILITY EXCISE TAXES LEVIED, BY CLASS OF UTILITY,
CALENDAR YEARS 1977 - 1981[a]

Class of Utility	Tax Rate[b]	1977	1978	1979	1980	1981[b]
Electric Light	4.00%	$115,585,433	$138,561,360	$156,885,163	$171,879,305	$240,310,174
Telephone	4.00	54,717,379	60,521,875	65,216,141	68,740,014	94,216,113
Natural Gas	4.00	53,026,511	61,889,593	69,322,507	82,510,453	115,195,054
Railroad	4.50	6,037,297	11,064,413	7,217,212	7,430,346	4,939,312
Rural Electric Light	4.00	4,108,685	4,860,322	5,847,357	6,303,531	9,223,585
Freight Line & Equipment	3.50	1,677,074	1,658,570	1,914,282	2,180,208	2,530,759
Water Works	4.00	632,310	793,316	787,315	832,032	1,147,064
Pipe Line	6.00	293,481	313,264	352,675	426,396	690,362
Telegraph	4.00	112,340	81,058	84,014	90,057	126,334
Artificial Gas	4.00	45,958	- -	- -	- -	- -
Water Transportation	4.00	33,016	33,874	43,855	47,694	74,855
Union Depot	4.00	30,589	36,061	48,075	51,277	11,275
Toll Bridge	4.00	24,277	23,650	23,818	24,235	27,805
Interurban Railroad	1.70	10	- -	- -	- -	- -
Heating	4.00	- -	- -	- -	- -	56,274
Total		$236,324,360	$279,837,356	$307,742,414	$340,515,548	$468,548,966

(a) Amount of tax certified for collection.
(b) Rates were temporarily increased by one percentage point in 1981 for all utilities except freight line and equipment companies.

Table 62

AMOUNTS AND PERCENTAGE DISTRIBUTION OF PUBLIC UTILITY EXCISE TAXES, BY PRINCIPAL UTILITY CLASSES, CALENDAR YEARS 1977 - 1981

Utility Class	1977 Amount	1977 Percent of Total	1978 Amount	1978 Percent of Total	1979 Amount	1979 Percent of Total	1980 Amount	1980 Percent of Total	1981 Amount	1981 Percent of Total
Electric	$119,694,118	50.65%	$143,421,682	51.25%	$162,732,520	52.88%	$178,182,836	52.33%	$249,533,759	53.26%
Gas	53,072,469	22.46	61,889,593	22.12	69,322,507	22.53	82,510,453	24.23	115,195,054	24.58
Telephone	54,717,379	23.15	60,521,875	21.63	65,216,141	21.19	68,740,014	20.19	94,216,113	20.11
Total	$227,483,966	96.26%	$265,833,150	95.00%	$297,271,168	96.60%	$329,433,303	96.75%	$458,944,926	97.95%
All Other	8,840,394	3.74	14,004,206	5.00	10,471,246	3.40	11,082,245	3.25	9,604,040	2.05
Grand Total	$236,324,360	100.00%	$279,837,356	100.00%	$307,742,414	100.00%	$340,515,548	100.00%	$468,548,966	100.00%

Table 63

AGGREGATE AMOUNTS OF CHARTER CITY DEDUCTION ALLOWED IN CALCULATING PUBLIC UTILITY EXCISE TAXES, BY PRINCIPAL UTILITY CLASSES, CALENDAR YEARS 1977 - 1981(a)

Utility Class	1977 Amount	1977 Percent of Total	1978 Amount	1978 Percent of Total	1979 Amount	1979 Percent of Total	1980 Amount	1980 Percent of Total	1981 Amount	1981 Percent of Total
Electric	$4,056,730	46.11%	$4,588,290	47.37%	$ 4,663,345	46.61%	$ 5,190,236	45.60%	$ 5,242,781	44.93%
Telephone	2,929,070	33.29	2,836,833	29.28	3,028,916	30.27	3,299,539	28.99	3,321,594	28.47
Natural Gas	1,652,920	18.79	1,976,911	20.41	2,009,646	20.08	2,605,808	22.89	2,845,393	24.38
Total	$8,638,720	98.19%	$9,402,034	97.06%	$ 9,701,907	96.96%	$11,095,583	97.48%	$11,409,768	97.78%
Railroads	146,340	1.66	260,864	2.69	289,301	2.89	269,052	2.36	235,471	2.02
All Other	13,581	.15	23,919	.25	14,915	.15	17,856	.16	23,045	.20
Grand Total	$8,798,641	100.00%	$9,686,817	100.00%	$10,006,123	100.00%	$11,382,491	100.00%	$11,668,284	100.00%

(a) Amounts deducted pursuant to statutory formula in calculating the excise tax liability of utilities operating in cities which have municipal charters establishing a property tax limitation which is higher than 10 mills.

PUBLIC UTILITY PROPERTY TAX

Additional data for public utility property taxes may be found in the REAL PROPERTY TAX section.

The assessed valuation of public utility real and personal property was about $9.2 billion in calendar year 1981, which was an increase of about 6.1% over the previous year. This figure represents the value of all taxable public utility property except intangible property which is subject to the same statewide tax rates as all other intangible property. The tax rates applied to the real and tangible personal property of public utilities are determined locally.

About 54% of the total public utility valuation in 1981 was derived from the property of electric utilities, while the electric and telephone industries combined accounted for 84% of the total. The total valuation of railroads has fallen each of the last eight years. The percentage of the total public utility value accounted for by railroads has fallen from over 9% in 1973 to 4.1% in 1981.

The taxable value of public utilities is primarily made up of personal property. For all utilities combined, the value of personal property accounted for about 92% of the total property valuation. However, this percentage varied greatly depending on the industry under consideration. About 98% of the total valuation for the natural gas industry was derived from personal property, while none of the union depot valuation was personal property.

TAX BASE (R.C. 5715.01, 5727.01, 5727.06, 5727.10, 5727.12):

Property tax base for railroads consists of real and tangible personal property owned or operated in Ohio on December 31 of the preceding year. Property tax base for all other public utilities consists of real and tangible personal property owned and located in Ohio on December 31 of the previous year. Real property includes land and improvements and is assessed at 35% of true value. Personal property base includes all plant and equipment not classified as real property or intangible property. The tangible personal property of public utilities is generally assessed at 100% of true value. The two exceptions to this 100% assessment level are (1) the tangible personal property of rural electric companies which is assessed at 50% of true value; and (2) the tangible personal property of railroads which is assessed at the same percentage as applied to all tangible property (except inventories) used in business by a non-utility (for 1982, this assessment level is 38%).

The Tax Commissioner also values and assesses the intangible personal property of public utilities. However, since public utilities are subject to the intangible property tax in the same manner as all other taxpayers, this section does not consider the intangible property taxes of public utilities. For additional information, see the **INTANGIBLE PROPERTY TAX** section.

APPORTIONMENT OF TAX BASE (R.C. 5727.13, 5727.14, 5727.15, and Tax Commissioner Bulletin 130):

All public utilities, except railroads, are valued for taxation as a statewide unit. The Tax Commissioner then distributes the statewide taxable values to the taxing districts in which the utilities operate. Real property values are distributed to the taxing districts in which the property is physically located. Except for the personal property of telephone companies, portions of the personal property values are also distributed to the taxing district in which the property is located. In 1981, about 24% of the total personal property value was distributed based on physical location. The remaining personal property values are apportioned (using a specific base) among the taxing districts in which the utilities operate. The bases for distributing personal property values among taxing districts for the various classes of utilities are shown in the table on the following page.

Railroads are valued on a system wide basis with allocation to Ohio on the basis of the length of road in this state to length of road everywhere. Values for real property used in operation are apportioned on the basis of their relative value. Values for personal property used in operation are apportioned on the basis of miles of track in each taxing district weighted according to traffic density. Values for real and personal property not used in operation are apportioned on the basis of their physical location.

APPORTIONMENT OF TAX BASE (cont'd):

Class of Utility	Distribution Base
Electric Light and Rural Electric Companies	Value of overhead and underground lines.
Artificial Gas, Natural Gas, Pipeline, Heating, Cooling, and Water Works	Value of pipeline.
Telephone and Telegraph Companies	Miles of wire.
Railroads	Miles of track and trackage rights weighted by use.
Express Companies	Gross receipts.

Actual location of property is used to distribute values for water transportation and toll bridge utility classes.

RATES (R.C. 319.301, 5705.02-5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located or to which it is apportioned (e.g., county, township, municipal corporation, and school district). Although the nominal tax rates applied to public utility real and personal property are the same, the effective rates on the two types of property may differ substantially because of the effects of the tax reduction factor applied to real property taxes. Public utility real property taxes (in addition to other real property taxes) are reduced by a computed reduction factor whenever real property values increase. However, this reduction factor does not apply to taxes levied on public utility personal property. State law also requires that all non-residential real property tax bills (but not personal property tax bills) be reduced by 10% -- with the cost of the reduction reimbursed from state funds.

EXEMPTIONS AND CREDITS (R.C. 319.301, 5701.03, 5709.25, 5727.01, 5727.05, 6111.31):

1. Property of municipally-owned utilities.
2. Certified air, water, and noise pollution control facilities.
3. Licensed motor vehicles.
4. Personal property under construction.
5. Real property tax bills are reduced by 10% as provided by state law.

REPORTING, CERTIFICATION, AND PAYMENT DATES:

Utility Class	Deadline	For
All Public Utilities (R.C. 5727.08, and and 5727.48)	March 1[(a)]	Company's annual report to Tax Commissioner.
All Utilities (R.C. 5727.10)	First Monday in September	Tax Commissioner assesses property.

REPORTING, CERTIFICATION, AND PAYMENT DATES (cont'd):

Utility Class	Deadline	For
All Public Utilities (R.C. 5727.23)	First Monday in October	Tax Commissioner certifies apportionment of property values to county auditors.
All Public Utilities (R.C. 323.12 & 323.17)	December 31[b]	At least half of total tax liability due.
All Public Utilities (R.C. 323.12 & 323.17)	June 20[b]	Balance of tax liability due.

(a) Tax Commissioner may grant extension of up to 60 days.

(b) Extensions of 30 days may be granted by county commissioners; further extensions may be granted by application of county auditor or treasurer to Department of Tax Equalization.

DISPOSITION OF REVENUE (R.C. 319.54, 5705.10, 5719.05):

After local administrative deductions, revenue is distributed to counties, municipalities, townships, school districts, and special districts according to the taxable values and total millage levied by each.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5705, 5709, 5715, 5719, 5727, 6111.

ADMINISTRATION (R.C. 5727.06, 5713.01): (See "Recent Legislation" for changes effective in fiscal year 1982):

The Tax Commissioner assesses all of the real and tangible personal property of public utilities.

RECENT LEGISLATION:

Am. Sub. H.B. 201, effective June 1, 1982

R.C. 5713.01 and 5727.06: Makes county auditors responsible for assessing the real property of all public utilities except railroads beginning with the 1983 tax year.

R.C. 5727.10: Tax Commissioner assesses property of express, telephone, and telgraph companies by the first Monday in September (previously first Monday in July).

Note: This bill also makes numerous other amendments to the statutes concerning administration of the tax. The purpose of these amendments is to clarify the meaning of the statutes and facilitate administration of the tax; however, none of the amendments make substantive changes in current procedures.

Table 64

ASSESSED VALUE OF PUBLIC UTILITY REAL AND PERSONAL PROPERTY,
BY CLASS OF UTILITY, CALENDAR YEARS 1977 - 1981

Class of Utility	Calendar Year 1977	1978	1979	1980	1981
Electric Light	$3,730,327,020	$3,961,683,730	$4,266,987,370	$4,443,884,470	$4,768,788,270
Telephone	2,129,762,590	2,257,369,260	2,428,244,270	2,605,280,450	2,786,312,770
Natural Gas	501,291,800	510,385,360	528,958,780	547,361,070	584,709,600
Railroad	473,923,530	452,724,940	436,343,610	419,621,170	375,993,060
Pipeline	399,590,490	427,945,550	432,812,930	451,740,400	466,713,950
Rural Electric Light	80,028,200	135,733,800	143,642,620	150,145,900	164,703,820
Waterworks	37,879,940	40,299,970	42,784,180	46,262,610	49,431,760
Union Depot	9,507,680	9,206,540	3,430,000	5,777,500	1,105,290
Telegraph	1,321,090	1,198,760	1,200,000	1,835,500	2,173,470
Other[a]	913,400	913,400	1,017,700	926,900	945,300
Total	$7,364,545,740	$7,797,461,310	$8,285,421,460	$8,672,835,970	$9,200,877,290

(a) Includes Artificial Gas, Water Transportation, and Toll Bridge.

SOURCE: Ohio Department of Taxation; values may differ slightly from those reported on abstracts filed by County Auditors with the Ohio Department of Tax Equalization.

Table 65

ASSESSED VALUE OF PUBLIC UTILITY REAL AND PERSONAL PROPERTY, BY TYPE OF PROPERTY AND
CLASS OF UTILITY, CALENDAR YEAR 1981

Class of Utility	Assessed Value of Real Property	Assessed Value of Personal Property	Total Assessed Value
Electric Light	$412,468,340	$4,356,319,930	$4,768,788,270
Telephone	162,283,190	2,624,029,580	2,786,312,770
Natural Gas	12,760,000	571,949,600	584,709,600
Pipeline	12,181,240	454,532,710	466,713,950
Railroad	75,030,210	300,962,850	375,993,060
Rural Electric Light	20,504,570	144,199,250	164,703,820
Waterworks	5,375,390	44,056,370	49,431,760
Union Depot	1,105,290	- -	1,105,290
Telegraph	173,470	2,000,000	2,173,470
Water Transportation	242,430	463,970	706,400
Toll Bridge	206,080	32,820	238,900
Total	$702,330,210	$8,498,547,080	$9,200,877,290

SOURCE: Ohio Department of Taxation; values may differ slightly from those reported on abstracts filed by County Auditors with the Ohio Department of Tax Equalization.

Table 66

ASSESSED VALUE OF PUBLIC UTILITY REAL AND PERSONAL PROPERTY,
BY COUNTY, CALENDAR YEAR 1981

County	Assessed Value Of Public Utility Real Property	Assessed Value Of Public Utility Personal Property	Total Assessed Value Of Public Utility Property
Adams	$ 35,601,230	$ 170,068,630	$ 205,669,860
Allen	4,023,320	91,327,170	95,350,490
Ashland	997,510	41,336,440	42,333,950
Ashtabula	14,960,020	106,084,240	121,044,260
Athens	4,741,010	64,368,740	69,109,750
Auglaize	845,540	24,223,700	25,069,240
Belmont	11,148,620	89,336,200	100,484,820
Brown	723,540	27,780,230	28,503,770
Butler	6,928,410	154,223,450	161,151,860
Carroll	1,450,010	31,170,590	32,620,600
Champaign	759,000	19,544,190	20,303,190
Clark	3,309,490	82,276,830	85,586,320
Clermont	29,381,090	151,275,030	180,656,120
Clinton	1,346,650	24,855,620	26,202,270
Columbiana	1,687,200	82,007,890	83,695,090
Coshocton	10,236,810	174,492,460	184,729,270
Crawford	1,357,180	31,026,320	32,383,500
Cuyahoga	60,990,700	876,780,510	937,771,210
Darke	1,071,430	28,297,650	29,369,080
Defiance	1,441,500	41,043,830	42,485,330
Delaware	1,988,220	54,422,610	56,410,830
Erie	9,031,540	60,613,060	69,644,600
Fairfield	1,799,050	63,458,040	65,257,090
Fayette	739,410	23,620,560	24,359,970
Franklin	48,303,480	518,103,040	566,406,520
Fulton	1,073,390	38,750,540	39,823,930
Gallia	32,616,290	195,577,860	228,194,150
Geauga	1,249,970	54,528,070	55,778,040
Greene	2,773,540	83,098,240	85,871,780
Guernsey	2,036,870	42,286,170	44,323,040
Hamilton	58,771,230	612,003,600	670,774,830
Hancock	4,659,740	53,393,150	58,052,890
Hardin	803,100	23,156,610	23,959,710
Harrison	1,324,020	27,145,020	28,469,040
Henry	891,210	22,252,710	23,143,920
Highland	568,690	21,198,480	21,767,170
Hocking	457,430	30,498,240	30,955,670
Holmes	410,930	21,986,670	22,397,600
Huron	3,742,370	36,503,530	40,245,900
Jackson	1,307,350	34,761,290	36,068,640
Jefferson	51,036,780	323,143,840	374,180,620
Knox	909,250	38,805,420	39,714,670
Lake	30,526,860	195,164,220	225,691,080
Lawrence	1,040,170	58,413,920	59,454,090
Licking	6,241,900	97,884,920	104,126,820
Logan	$ 910,370	$ 31,912,570	$ 32,822,940
Lorain	27,830,810	252,020,040	279,850,850
Lucas	38,206,590	315,053,880	353,260,470
Madison	930,690	29,985,730	30,916,420
Mahoning	9,108,260	157,598,600	166,706,860
Marion	5,348,690	46,122,300	51,470,990
Medina	3,616,220	72,862,560	76,478,780
Meigs	853,750	25,834,650	26,688,400
Mercer	816,250	17,841,850	18,658,100
Miami	1,249,630	52,138,090	53,387,720
Monroe	399,540	28,515,470	28,915,010
Montgomery	30,511,330	371,282,150	401,793,480
Morgan	8,632,080	82,414,140	91,046,220
Morrow	546,140	19,612,460	20,158,600
Muskingum	5,757,710	74,863,980	80,621,690
Noble	5,622,490	18,937,380	24,559,870
Ottawa	16,538,900	155,126,850	171,665,750
Paulding	997,140	18,792,260	19,789,400
Perry	1,500,050	24,282,840	25,782,890
Pickaway	3,022,870	48,948,970	51,971,840
Pike	1,466,040	30,643,830	32,109,870
Portage	2,354,400	84,444,250	86,798,650
Preble	504,420	22,652,580	23,157,000
Putnam	1,456,790	22,105,020	23,561,810
Richland	5,876,100	85,166,560	91,042,660
Ross	2,894,870	42,276,670	45,171,540
Sandusky	1,793,610	51,557,680	53,351,290
Scioto	3,307,780	71,040,910	74,348,690
Seneca	2,492,910	43,032,810	45,525,720
Shelby	995,010	31,732,380	32,727,390
Stark	9,952,110	228,154,990	238,107,100
Summit	14,396,430	267,646,280	282,042,710
Trumbull	10,252,400	147,115,190	157,367,590
Tuscarawas	2,680,210	66,251,610	68,931,820
Union	795,840	37,858,230	38,654,070
Van Wert	1,179,980	23,390,530	24,570,510
Vinton	405,260	20,317,350	20,722,610
Warren	1,821,240	69,174,470	70,995,710
Washington	9,238,050	71,624,620	80,862,670
Wayne	1,797,580	60,470,260	62,267,840
Williams	2,026,150	31,521,910	33,548,060
Wood	4,399,110	87,411,170	91,810,280
Wyandot	541,360	16,521,480	17,062,840
Total	$702,330,210	$8,498,547,080	$9,200,877,290

SOURCE: Ohio Department of Taxation; values may differ slightly from those reported on abstracts filed by county auditors with the Ohio Department of Tax Equalization.

ESTATE TAX

The basic Ohio estate tax is levied against the value of a resident decedent's gross estate less deductions and exemptions. Graduated rates range through six taxable estate brackets from 2% on taxable values of under $40,000 to $23,600 plus 7% on that portion of taxable value which exceeds $500,000. Gross estates of more than $100,000 are also subject to an "additional" tax which is levied solely to ensure full benefit to Ohio of credits the federal government allows taxpayers against federal estate tax liability for their payment of state death taxes. Ohio's "additional" tax rates derive directly from the federal tax credit schedule and range through 20 brackets from 0.8% to 16%. Ohio also taxes nonresident estates on property values attributable to Ohio.

Basic resident estate taxes accounted for $106,794,264 in taxes paid on estates on which audits were completed during fiscal year 1982. This amount includes interest payments received and also reflects subtraction of refunds and of interest paid to taxpayers on taxes overpaid and refunded. Additional revenues amounting to $4.2 million, also after refunds and interest payments, were attributable to nonresident returns and to the "additional" tax.

Data on gross and net estate valuations and on taxes assessed and paid are shown, for the resident estate tax only, in Tables 62 through 67. These statistics are presented for the 88 counties of Ohio, by counties of probate, in Table 67. They are arranged according to selected gross values and according to net taxable (tax rate) brackets in Tables 62 through 65, and, in Table 66, according to amounts of tax generated. Taxable estates subject to the basic resident tax numbered 30,215 in 1982, as compared with the 30,479 in 1981.

Eighteen of the 88 counties each handled estates during 1982 yielding more than a million dollars in aggregate basic resident estate taxes assessed and paid. Amounts paid ranged from just over $1 million in Hancock county to $18.4 million in Cuyahoga, while total aggregate taxes for these 18 counties comprised $74.4 million, almost 70% of the statewide total. Statewide, the average tax paid on each of the 30,215 estates finalized was $3,534. Countywide average taxes ranged from $1,053 for 56 estates in Pike county to $8,588 for 80 estates in Madison county.

"Additional" taxes derived from the federal credit allowed on estates which were finalized during fiscal 1982 amounted to $3,392,136 including net interest payments of $38,492. These taxes were due and payable in only 21 of Ohio's 88 counties and represented additional tax liability on only 59 estates. One estate accounted for approximately 60% of the $3.4 million in "additional" tax revenue generated (more than $2 million) and three counties accounted for more than half (32) of the 59 estates. Total federal credits allowed for state death taxes paid on these 59 estates exceeded $9 million, "additional" tax due and payable to Ohio being derived as follows:

Federal Credits Allowed for State Taxes Paid	$9,046,650
Less Basic Ohio Estate Taxes Paid	- 5,205,767
Less Basic "Death" Taxes Paid to Other States	- 487,239
Additional Tax Due and Paid to Ohio	$3,353,644

Nonresident estates finalized during fiscal 1982 numbered 333. These estates, subject to tax on values located in Ohio, accounted for more than three-quarters of a million dollars in estate tax revenues. Approximately 78% of that total represented gross Ohio values per estate in excess of $100,000, and approximately 68% represented values subject to tax in the two highest tax rate brackets. Aggregate Ohio values subject to tax amounted to $31.5 million and taxes paid totalled $798,646 after interest and after refunds.

Most resident estates finalized during the year were of decedents whose dates of death preceded the doubling of allowable general and family exemptions that became effective Jan. 1, 1982. Data compiled from 27,967 original returns filed for estates finalized during fiscal 1982 of decedents whose deaths occurred prior to that date show that debts and expenses and the exemption claimed for the surviving spouse together accounted for two-thirds of all amounts claimed for deduction or exemption, the remaining third being attributed to the general $5,000 exemption, charitable deductions, and exemptions for surviving adult and minor children, as shown below. The percentage breakdown, by

category, is almost identical to that for fiscal 1981 except for debts and expenses which increased from 36.90 to 38.90% of the total and the general exemption which fell from 14.32 to 13.45%.

Exemption or Deduction	Estates Making Claims		Aggregate Claims		Average Claim
	Number	Percent	Amount	Percent	
Spouse	10,101	36.12%	$ 290,373,347	28.20%	$28,747
Adult Child	13,459	48.12	92,900,489	9.02	6,902
Minor Child	608	2.17	6,054,973	.59	9,959
Charitable	2,159	7.72	101,320,974	9.84	46,930
Debts and Expenses	27,905	99.78	400,665,138	38.90	14,358
Sub-Total			**$ 891,314,921**	**86.55%**	
General Exemption			138,570,474	13.45	
TOTAL	**27,967**	**100.00%**	**$1,029,885,395**	**100.00%**	**$36,825**

Estates finalized during fiscal 1982 of decedents with dates of death after December 31, 1981, numbered 702. Original returns for these estates showed claims for deductions and exemptions amounting to $24,037,501. Approximately 29% of this amount was attributable to the general exemption, 28% to the spouse exemption, 22% to debts and expenses, 18% to the adult child exemption, and the remainder to charitable deductions (less than 3%) and the minor child exemption (less than 1%).

Resident Estate Tax (R.C. 5731)

TAX BASE:

The "taxable estate", i.e., value of a decedent's gross estate, less deductions and exemptions (R.C. 5731.14-.17, inclusive). In general, the gross estate equals the aggregate market value, at time of death, of all property held by the decedent, except real and tangible personal property situsedoutside of Ohio and, effective for estates of persons dying on or after January 1, 1982, except for "qualified farm property" which may be valued according to its "actual qualified use" (R.C. 5731.01, 5731.011, 5731.03-.13, inclusive).

RATES:

Rates are generated through these six "taxable estate" brackets (R.C. 5731.02):

Taxable Estates of	Tax Rate Imposed
Not over $40,000	2% of taxable estate
Over $ 40,000 but not over $100,000	$ 800 + 3% of excess over $ 40,000
Over $100,000 but not over $200,000	$ 2,600 + 4% of excess over $100,000
Over $200,000 but not over $300,000	$ 6,600 + 5% of excess over $200,000
Over $300,000 but not over $500,000	$11,600 + 6% of excess over $300,000
Over $500,000	$23,600 + 7% of excess over $500,000

EXEMPTIONS AND DEDUCTIONS:

Exemptions and deductions allowed against gross estate in determining amount of taxable estate:

Exemptions --

General: $5,000 for decedents dying prior to January 1, 1982; $10,000 for decedents dying on or after that date.

EXEMPTIONS AND DEDUCTIONS (cont'd):

Family: Based upon property actually passing to spouse or children and including a "family" allowance of $5,000 allowed for support to a surviving spouse or, if there is no spouse, to minor children:

1. Up to $30,000 if there is a surviving spouse, or the amount so passing, whichever is lower; up to $60,000 in case of decedents dying on or after January 1, 1982.
2. Up to a maximum of $7,000 for each surviving child under 18 years of age; up to $14,000 in case of decedents dying on or after January 1, 1982.
3. Up to a maximum of $3,000 for each surviving child 18 years of age or older; up to $6,000 in case of decedents dying on or after January 1, 1982.

Deductions (Examples) --

- Funeral expenses and costs of administering the estate;
- Outstanding and unpaid claims against the estate at time of decedent's death;
- Unpaid mortgage or other indebtedness against property where total value is included within the gross estate valuation;
- Property previously taxed transferred to decedent by another who dies within three years before or one year after decedent; and
- Subject to statutory conditions regarding purpose, usage, private benefit, etc., bequests and transfers to or for use of:

1. The U.S. Government or other governmental unit(s) in the United States;
2. Corporations organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes;
3. Fraternal and veterans organizations.

TAXPAYER:

Administrator, executor, other estate representative, or person in possession of the property subject to tax.

ESTATE VALUATION, TAX RETURN, AND TAX PAYMENT DEADLINES:

In general, as follows:

Gross Valuation -- Preliminary notice of such value to be filed within 60 days of administrator's appointment or within 120 days of decedent's death. (R.C. 5731.20)

Tax Return -- To be filed within 9 months of decedent's death, in general with probate court of county in which estate is administered. (R.C. 5731.21)

Tax Payment -- Due within 9 months of decedent's death, to treasurer of county in which decedent resided. (R.C. 5731.23)

Additional Estate Tax (R.C. 5731.18)

TAXABLE ESTATE:

The decedent's "adjusted taxable estate," as determined by the Commissioner of Internal Revenue -- i.e., the federal taxable estate (as determined pursuant to the Internal Revenue Code of 1954, as amended) less $60,000. In effect, this is a federal taxable estate of over $100,000 since no state death tax credit is allowed on the first $40,000 of the adjusted taxable estate.

TAX BASE AND RATES:

Rates are graduated through 20 brackets, in part as follows:

Adjusted Taxable Estates of			Tax Rate Imposed			
Less than $40,000			- 0 -			
$ 40,000	or more but less than	$ 90,000		0.8%	of excess over $	40,000
$ 90,000	or more but less than	$ 140,000	$ 400 +	1.6%	of excess over $	90,000
$ 140,000	or more but less than	$ 240,000	$ 1,200 +	2.4%	of excess over $	140,000

[For graduated rates of intervening brackets, see R.C. 5731.18.]

$ 9,040,000	or more but less than $10,040,000	$ 930,800 +	15.2%	of excess over $	9,040,000
$10,040,000	or more	$1,082,800 +	16.0%	of excess over $	10,040,000

CREDITS ALLOWED AGAINST TAX DUE:

Amount of tax levied pursuant to the basic Ohio estate tax (R.C. 5731.02) and any estate, legacy, or succession taxes actually paid to any U.S. state or territory or the District of Columbia on any property included within the gross estate.

Nonresident Estate Tax and Additional Tax (R.C. 5731.19)

ESTATE SUBJECT TO TAX:

That portion of a nonresident decedent's estate which is attributable to Ohio (i.e., in general, real property and tangible personalty located or having a situs in Ohio, and intangible personal property used in business within Ohio unless exempt pursuant to R.C. 5731.34). (R.C. 5731.19)

TAX RATES AND TAX CALCULATION FORMULA:

Tax is determined (for both nonresident estate and nonresident additional taxes) by (1) calculating tax which would be due from the estate, at rates applicable to resident estates, if decedent had died a resident of Ohio with all of his property situated or located in Ohio, and (2) multiplying the resultant amount by a fraction representing the ratio of gross estate value attributable to Ohio to gross estate value wherever situated.

Resident and Nonresident Estate Taxes and Additional Taxes

DISPOSITION OF REVENUE (R.C. 5731.48-5731.51):

Fifty percent of gross taxes levied and paid, to municipal corporation or township in which tax originates. (In general, for revenue distribution purposes, tax on the transfer of real and tangible personal property located within Ohio originates in the municipal corporation(s) or township(s) in which such property is physically located. In the case of a resident decedent's intangibles or tangible personalty located outside of Ohio, domicile of the decedent is determinative; in the case of intangibles of a nonresident decedent, origin is derived from Ohio domicile, location or place of business or custody of the person, bank, institution, or other entity having such property in possession or custody.)

Fifty percent, less costs of administration, to state General Revenue Fund.

OHIO REVISED CODE CITATIONS:

Chapter 5731; also R.C. 2117.20 (provision for family allowance).

RECENT LEGISLATION:

Am. S.B. 28, effective October 9, 1981.

R.C. Sections 5731.01, 5731.15, 5731.21, and 5731.37 amended and Section 5731.011 enacted to increase the general and family estate tax exemptions and to permit an alternate valuation of farm land for estate tax purposes, in the case of decedents dying on or after January 1, 1982.

Estate representatives were excused from filing returns if the value of the gross estate does not exceed $10,000 (previously $5,000), and all present exemptions were doubled in amount: the general estate tax exemption from $5,000 to $10,000, the surviving spouse exemption from $30,000 to $60,000, the exemption for an adult child (over 18) from $3,000 to $6,000, and the exemption for a minor child from $7,000 to $14,000.

Permission was authorized for valuation at current agricultural use (CAUV) instead of current fair market value (FMV) for property passing to qualifying family heirs and meeting requirements of this statute and of R.C. 5713.30(A) for "qualified farm property" and property devoted exclusively to agricultural use. Provision was made for estate taxes at FMV to be recovered if within four years from the date of decedent's death, property taxed at CAUV values should be transferred to a non-qualifying owner or should cease to be devoted to the qualifying use.

Sub. H.B. 620, effective Sept. 9, 1982.

R.C. Section 2113.532 amended to permit a surviving spouse to receive from the estate of a deceased spouse who did not own a car, a truck that was used as a method of conveyance by the deceased spouse or his family. This measure should have no estate tax consequences.

RECENT SIGNIFICANT COURT DECISIONS:

In Re Estate of Beasley (1980), 70 Ohio App. 2d. 131.

The purpose of R.C. 5731.16(C) is to prevent a person from creating a claim against his estate for less than full consideration in order to reduce the tax liability of his estate. Thus, where the Tax Commissioner finds that the decedent made a promise or agreement with a prospective heir to create a claim against his estate, which promise or agreement was not bona fide and supported by full consideration, the Tax Commissioner may reduce the deduction to the actual consideration.

Further, the failure by the estate to take exception to the disallowance of a deduction by the Internal Revenue Service is not an admission against interest in a proceeding to determine the validity of the same deduction by the Ohio Tax Commissioner.

TABLE 67

DISTRIBUTION OF TAXABLE ESTATES, GROSS AND NET VALUES, AND ESTATE TAXES ASSESSED AND PAID,
BY SELECTED GROSS VALUATION BRACKETS, FISCAL YEAR 1982[a]
(Resident Estate Tax Only)

Gross Value	Number Of Estates		Aggregate Gross Value		Aggregate Net Value		Aggregate Taxes Assessed[b]		Aggregate Taxes Paid[b]	
	Number	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Under $100,000	20,799	68.84%	$1,063,597,099	27.89%	$ 542,918,407	20.13%	$11,671,511	11.01%	$ 11,756,893	11.01%
$100,000 to $250,000	6,570	21.74	998,509,155	26.18	736,527,203	27.31	21,159,430	19.96	21,257,642	19.90
$250,000 to $500,000	1,875	6.20	643,187,525	16.86	512,285,824	19.00	19,816,137	18.69	19,916,897	18.65
$500,000 to $1 Million	682	2.26	467,501,750	12.26	387,190,109	14.36	19,626,924	18.52	19,747,301	18.49
$1 Million to $3 Million	250	.83	389,324,389	10.21	317,520,453	11.77	20,093,582	18.96	20,287,501	19.00
$3 Million to $5 Million	25	.08	97,817,599	2.56	79,501,152	2.95	5,315,081	5.01	5,385,228	5.04
Over $5 Million	14	.05	154,208,358	4.04	120,963,824	4.48	8,316,178	7.85	8,442,785	7.91
Total	30,215	100.00%	$3,814,145,875	100.00%	$2,696,906,972	100.00%	$105,998,843	100.00%	$106,794,246	100.00%

(a) Statistics are derived from returns on which audits were completed and final certificates of determination were issued during fiscal year 1982.

(b) All amounts of tax shown are after refunds. Amounts paid are also after addition of interest or after subtraction of interest paid by the state on tax refunds.

TABLE 68

DISTRIBUTION OF TAXABLE ESTATES, GROSS AND NET VALUES, AND ESTATE TAXES ASSESSED AND PAID,
BY NET TAXABLE VALUE (TAX RATE) BRACKETS, FISCAL YEAR 1982[a]
(Resident Estate Tax Only)

Net Taxable Value	Number of Estates Generating Tax		Aggregate Gross Value		Aggregate Net Value		Aggregate Taxes Assessed[b]		Aggregate Taxes Paid[b]	
	Number	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Up to $40,000	16,080	53.21%	$724,095,606	18.99%	$271,454,597	10.06%	$ 5,462,628	5.15%	$ 5,516,424	5.17%
$40,000 to $100,000	7,696	25.47	734,855,068	19.27	490,188,969	18.17	11,626,391	10.97	11,686,669	10.94
$100,000 to $200,000	3,687	12.20	668,702,009	17.53	513,177,745	19.03	15,441,899	14.57	15,515,345	14.53
$200,000 to $300,000	1,170	3.88	350,131,825	9.18	285,233,195	10.58	10,274,506	9.69	10,325,050	9.67
$300,000 to $500,000	865	2.86	394,511,391	10.34	329,041,181	12.20	14,146,360	13.35	14,215,014	13.31
Over $500,000	717	2.38	941,849,976	24.69	807,881,285	29.96	49,047,059	46.27	49,535,745	46.38
Total	30,215	100.00%	$3,814,145,875	100.00%	$2,696,906,972	100.00%	$105,998,843	100.00%	$106,794,246	100.00%

(a) Statistics are derived from returns on which audits were completed and final certificates of determination were issued during fiscal year 1982.

(b) All amounts of tax shown are after refunds. Amounts paid are also after addition of interest or after subtracton of interest paid by the state on tax refunds.

Table 69

NUMBER OF RESIDENT ESTATES, AGGREGATE GROSS AND NET TAXABLE ESTATE VALUATIONS, AND AGGREGATE TAXES ASSESSED, BY SELECTED GROSS VALUE BRACKETS AND BY NET TAXABLE VALUE (TAX RATE) BRACKETS, FISCAL YEAR 1982[a]
(RESIDENT ESTATE TAX ONLY)

Gross Valuation	Net Taxable Value Brackets: Up to $40,000	$40,000 to $100,000	$100,000 to $200,000	$200,000 to $300,000	$300,000 to $500,000	Over $500,000	All Estates
Part I (Number of Estates)							
Under $100,000	15,813	4,986	- -	- -	- -	- -	20,799
$100,000 to $250,000	237	2,653	3,482	198	- -	- -	6,570
$250,000 to $500,000	25	45	189	952	664	- -	1,875
$500,000 to $1 Million	3	9	13	18	190	449	682
$1 Million to $3 Million	2	3	3	2	11	229	250
$3 Million to $5 Million	- -	- -	- -	- -	- -	25	25
Over $5 Million	- -	- -	- -	- -	- -	14	14
TOTAL	16,080	7,696	3,687	1,170	865	717	30,215
Part II (Gross Values)							
Under $100,000	$678,385,202	$385,211,897	- -	- -	- -	- -	$1,063,597,099
$100,000 to $250,000	31,725,042	322,973,501	$596,988,188	$ 46,822,424	- -	- -	998,509,155
$250,000 to $500,000	8,420,999	14,470,641	57,706,115	289,348,669	$273,241,101	- -	643,187,525
$500,000 to $1 Million	1,899,053	6,906,529	8,560,901	11,826,151	106,513,533	$331,795,583	467,501,750
$1 Million to $3 Million	3,665,310	5,292,500	5,446,805	2,134,581	14,756,757	358,028,436	389,324,389
$3 Million to $5 Million	- -	- -	- -	- -	- -	97,817,599	97,817,599
Over $5 Million	- -	- -	- -	- -	- -	154,208,358	154,208,358
TOTAL	$724,095,606	$734,855,068	$668,702,009	$350,131,825	$394,511,391	$941,849,976	$3,814,145,875
Part III (Net Value)							
Under $100,000	$265,211,883	$277,706,524	- -	- -	- -	- -	$ 542,918,407
$100,000 to $250,000	5,559,524	208,388,321	$480,607,900	$ 41,971,458	- -	- -	736,527,203
$250,000 to $500,000	548,414	3,115,614	30,077,855	238,470,914	$240,073,027	- -	512,285,824
$500,000 to $1 Million	79,776	731,580	1,962,573	4,313,579	84,721,767	$295,380,834	387,190,109
$1 Million to $3 Million	55,000	176,930	529,417	477,244	4,246,387	312,035,475	317,520,453
$3 Million to $5 Million	- -	- -	- -	- -	- -	79,501,152	79,501,152
Over $5 Million	- -	- -	- -	- -	- -	120,963,824	120,963,824
TOTAL	$271,454,597	$490,118,969	$513,177,745	$285,233,195	$329,041,181	$807,881,285	$2,696,906,972
Part IV (Taxes Assessed)							
Under $100,000	$ 5,336,827	$ 6,334,684	- -	- -	- -	- -	$ 11,671,511
$100,000 to $250,000	112,038	5,193,772	$ 14,426,006	$ 1,427,614	- -	- -	21,159,430
$250,000 to $500,000	11,069	75,468	938,613	8,675,336	$ 10,115,651	- -	19,816,137
$500,000 to $1 Million	1,595	18,358	60,303	154,494	3,860,339	$ 15,531,835	19,626,924
$1 Million to $3 Million	1,100	4,108	16,977	17,062	170,370	19,883,965	20,093,582
$3 Million to $5 Million	- -	- -	- -	- -	- -	5,315,081	5,315,081
Over $5 Million	- -	- -	- -	- -	- -	8,316,178	8,316,178
TOTAL	$ 5,462,628	$ 11,626,391	$ 15,441,899	$ 10,274,506	$ 14,146,360	$ 49,047,059	$ 105,998,843

(a) Statistics are derived from returns on which audits were completed and final certificates of determination were issued during fiscal 1982. All amounts of tax shown are after refunds.

Table 70

DISTRIBUTION OF ESTATES GENERATING ESTATE TAX AND OF TAX PAID AMONG ESTATES OVER AND UNDER $100,000 GROSS VALUE,(a)
FISCAL YEARS 1979-1982

	1979				1980				1981				1982			
	Number of Estates		Tax Paid (in millions)		Number Of Estates		Tax Paid (in millions)		Number Of Estates		Tax Paid (in millions)		Number of Estates		Tax Paid (in millions	
Gross Value	Number	Percent	Amount	Percent	Number	Percent	Amount	Percent	Number	Percent	Amount	Percent	Number	Percent	Amount	Perce
Over $100,000	7,555	26.46%	$66.5	85.81%	7,881	27.18%	$70.4	80.83%	9,066	29.75%	$80.4	86.87%	9,416	31.16%	$95.0	88.9
Under $100,000	20,995	73.54%	$11.0	14.19%	21,118	72.82%	$16.7	19.17%	21,413	70.25%	$12.2	13.13%	20,799	68.84%	$11.8	11.0
Total	28,550	100.00%	$77.5	100.00%	28,999	100.00%	$87.1	100.00%	30,479	100.00%	$92.6	100.00%	30,215	100.00%	$106.8	100.0

(a) Amount of tax represents amount of tax paid, after interest and discount, and represents tax on resident estates only. "Additional" tax is not included.

Table 71

ESTATES GENERATING TAX AND ESTATE TAXES ASSESSED, ACCORDING TO AMOUNTS OF TAX GENERATED,
FISCAL YEARS 1981 AND 1982
(Resident Estate Tax Only)

	Estates Generating Tax				Amount of Tax Assessed(a)			
	Fiscal Year 1981		Fiscal Year 1982		Fiscal Year 1981		Fiscal Year 1982	
Amounts of Tax Generated	Number	Percent	Number	Percent	Amount	Percent	Amount	Percent
Less than $ 10,000	28,774	94.41%	$ 28,350(b)	41.02%	$39,442,168(c)	42.90%	$39,605,952(c)	37.36%
$10,000 to $ 25,000	1,182	3.88	1,190	15.32	18,085,943	19.67	18,250,750	17.22
$25,000 to $ 50,000	303	0.99	399	11.13	10,407,479	11.32	13,851,497	13.07
$50,000 to $ 75,000	96	0.31	130	7.35	5,747,396	6.25	7,992,228	7.54
$75,000 to $100,000	45	0.15	52	3.64	3,824,710	4.16	4,511,288	4.26
Over $100,000	79	0.26	94	21.54	14,428,387	15.70	21,787,127	20.55
Total	30,479	100.00%	$30,215	100.00%	$91,936,082	100.00%	$105,998,843	100.00%

(a) Amounts of tax assessed, before addition of interest or payment of interest on tax refunds.

(b) Approximately 27 percent of these estates (7,551) had gross values in excess of $100,000 and represent taxable values of up to $268,000 while 73 percent (20,799) represent gross and net values under $100,000.

(c) More than two-thirds of this amount ($27,934,441) is attributable to gross estates of more than $100,000.

Table 72

NUMBERS OF ESTATES, AGGREGATE GROSS AND NET TAXABLE VALUES,
AMOUNTS OF TAX ASSESSED AND PAID, AND AVERAGE AMOUNTS OF TAX PAID PER ESTATE,
BY COUNTY, FISCAL YEAR 1982[a]
(RESIDENT ESTATE TAX ONLY)

County	Number of Estates	Gross Estate Value	Net Taxable Value	Tax Assessed	Tax Paid[b]	Average Tax Paid
Total	30,215	$3,814,145,875	$2,696,906,972	$105,998,843	$106,794,264	$3,534
Adams	51	5,593,049	3,960,988	128,344	128,533	2,520
Allen	351	39,517,353	27,691,740	950,087	953,699	2,717
Ashland	139	18,923,963	12,363,753	471,034	471,188	3,390
Ashtabula	285	25,119,420	16,135,930	511,303	515,314	1,808
Athens	135	16,147,920	10,330,600	407,981	425,914	3,155
Auglaize	157	17,948,419	12,598,289	395,402	396,182	2,523
Belmont	271	25,815,548	17,137,516	590,670	596,077	2,200
Brown	99	11,565,310	7,966,151	283,151	285,077	2,886
Butler	614	75,088,076	52,603,943	2,062,465	2,065,910	3,365
Carroll	73	7,532,808	5,229,172	181,286	183,258	2,510
Champaign	96	12,482,825	9,267,906	340,235	342,745	3,570
Clark	444	49,246,432	34,365,834	1,320,292	1,327,778	2,990
Clermont	230	24,012,159	17,079,164	590,675	596,473	2,593
Clinton	123	19,599,421	12,248,336	475,628	477,558	3,883
Columbiana	333	33,109,348	21,576,553	756,849	759,997	2,282
Coshocton	146	13,530,270	9,022,226	295,584	296,086	2,028
Crawford	165	23,145,781	16,841,583	665,390	667,023	4,043
Cuyahoga	4,111	578,243,929	413,054,389	18,199,537	18,391,321	4,474
Darke	234	30,245,531	21,584,467	737,144	738,800	3,157
Defiance	129	15,075,847	10,296,636	311,602	313,694	2,432
Delaware	166	22,301,942	14,560,453	496,503	499,438	3,009
Erie	289	31,563,476	22,371,667	797,976	804,587	2,784
Fairfield	251	26,567,218	17,688,183	573,888	575,267	2,292
Fayette	83	15,912,059	12,212,040	546,084	552,742	6,660
Franklin	2,113	281,225,507	198,516,449	7,652,885	7,698,130	3,643
Fulton	154	22,621,397	15,757,984	562,146	569,875	3,700
Gallia	66	5,691,268	3,652,040	104,767	104,842	1,589
Geauga	160	21,978,867	16,260,893	637,408	642,021	4,013
Greene	267	33,608,606	24,079,267	891,843	895,683	3,355
Guernsey	130	12,019,711	7,409,509	218,880	219,577	1,689
Hamilton	2,459	393,079,489	288,725,308	12,492,331	12,627,514	5,135
Hancock	218	33,604,922	24,158,464	1,000,391	1,001,882	4,596
Hardin	118	15,365,451	10,398,320	351,446	354,717	3,006
Harrison	53	4,803,500	3,499,375	129,142	129,428	2,442
Henry	147	23,992,491	18,633,925	765,947	767,924	5,224
Highland	117	15,094,418	10,769,770	424,505	429,585	3,672
Hocking	60	4,921,207	3,447,934	104,264	104,398	1,740
Holmes	87	8,337,989	5,708,819	168,786	169,526	1,949
Huron	176	22,058,120	15,949,951	585,690	586,708	3,334
Jackson	77	8,168,665	5,650,115	208,292	213,818	2,777
Jefferson	310	34,593,740	24,159,689	981,563	987,766	3,186
Knox	175	18,012,055	11,846,611	362,198	363,639	2,078
Lake	521	71,346,537	53,367,028	2,519,068	2,532,338	4,861
Lawrence	135	10,571,072	6,834,839	206,980	209,580	1,552
Licking	345	32,802,987	21,531,423	672,663	675,876	1,959
Logan	139	19,315,075	14,140,807	572,169	574,770	4,135
Lorain	593	59,968,181	42,058,526	1,446,552	1,460,475	2,463
Lucas	1558	180,449,726	129,896,465	5,039,090	5,066,043	3,252
Madison	80	16,975,130	13,907,288	685,442	687,066	8,588
Mahoning	827	80,327,110	55,995,029	2,008,230	2,016,365	2,438
Marion	185	22,761,761	16,108,733	571,044	572,329	3,094
Medina	250	29,336,067	19,573,557	702,917	707,706	2,831
Meigs	69	5,027,229	3,375,631	94,922	94,997	1,377
Mercer	136	21,403,638	15,935,257	590,322	592,621	4,358
Miami	313	40,727,821	29,360,965	1,063,884	1,069,014	3,415
Monroe	37	3,480,826	2,013,601	59,802	60,032	1,622

Table 72 (cont'd)

County	Number of Estates	Gross Estate Value	Net Taxable Value	Tax Assessed	Tax Paid(b)	Average Tax Paid
Montgomery	1,517	$ 220,800,384	$ 161,150,237	$ 7,433,257	$ 7,524,815	4,960
Morgan	43	4,755,632	3,592,995	122,110	123,690	2,877
Morrow	73	9,080,568	6,215,575	188,757	188,757	2,586
Muskingum	264	29,913,685	21,758,830	815,419	819,569	3,104
Noble	46	4,240,527	2,892,420	108,629	108,682	2,363
Ottawa	172	19,753,592	13,620,479	442,826	444,234	2,583
Paulding	77	13,807,314	10,499,323	411,856	411,982	5,350
Perry	90	8,007,156	5,441,765	165,290	166,997	1,856
Pickaway	114	26,319,007	16,735,796	739,048	740,302	6,494
Pike	56	3,731,328	2,262,152	58,819	58,993	1,053
Portage	295	31,468,455	21,763,448	776,123	779,941	2,644
Preble	107	13,283,725	9,025,916	311,806	312,924	2,925
Putnam	141	18,130,489	13,095,621	433,772	435,213	3,087
Richland	403	43,777,346	29,824,511	1,028,398	1,031,472	2,559
Ross	156	18,279,067	13,071,607	495,258	496,418	3,182
Sandusky	228	30,378,259	21,777,494	793,703	794,736	3,354
Scioto	205	18,551,655	13,123,570	449,312	450,617	2,198
Seneca	229	28,261,223	19,666,144	681,177	684,334	2,988
Shelby	130	17,111,014	12,222,597	423,982	425,201	3,271
Stark	1,123	122,222,985	82,335,791	2,931,773	2,950,175	2,627
Summit	1,325	150,706,391	102,548,433	3,829,384	3,846,850	2,903
Trumbull	549	50,482,729	32,524,732	1,098,450	1,103,172	2,009
Tuscarawas	332	30,385,289	20,107,223	598,766	603,920	1,819
Union	103	17,718,270	13,493,546	546,846	549,489	5,335
Van Wert	150	25,161,897	19,344,394	720,868	721,943	4,813
Vinton	29	1,856,700	1,259,793	34,304	34,639	1,194
Warren	188	25,846,154	17,588,112	651,223	655,966	3,489
Washington	183	18,333,015	12,727,637	429,365	431,190	2,356
Wayne	301	39,108,662	27,849,164	1,087,953	1,093,941	3,634
Williams	141	16,665,765	11,520,048	393,043	393,842	2,793
Wood	309	52,014,095	38,263,711	1,537,283	1,562,323	5,056
Wyandot	86	12,034,830	8,692,818	295,366	296,432	3,447

(a) Statistics are derived from returns on which audits were completed and final certificates of determination issued during fiscal year 1982. All amounts of tax shown are after refunds.
(b) Amounts shown as tax paid reflect interest payments received and also reflect subtraction of interest paid by the state on refunds of tax overpayments.

NOTE: Data shown here represents the basic resident Ohio estate tax only. Tax paid in amount of $106,794,264 does not include $3,392,136 in "additional" tax paid or $798,646 in taxes paid on nonresident estates. Also not included are net payments representing 298 estates finalized under the former inheritance tax law. Payments were made in the amount of $126,652 and refunds were issued in the amount of $36,520, resulting in net receipts of $90,132.

STATE AND COUNTY LOCAL GOVERNMENT FUNDS

The tables in this section deal with certain state-imposed taxes which are collected by the state treasurer but are distributed to local governments for expenditure. Revenues from these taxes are commonly referred to as local government fund moneys. Ohio has in fact 89 "local government" funds, one state fund and 88 county funds. These funds are closely interrelated in law and administrative practice, but by statute they are also sharply differentiated, both as to the revenues of which they are composed and the formulas under which they are distributed. In the language of the statutes, there is one state "local government fund". There are 88 county "undivided local government funds".

STATE LOCAL GOVERNMENT FUND (LGF)

Significant changes were made by the 114th General Assembly in the composition of the state local government fund as it is to be constituted in the years following calendar year 1981 and in some provisions of the statutory formula for distributions to the counties. The description which follows, however, reflects statutes in force through calendar 1981.

The state local government fund as of 1981 consists of 3.5% of all collections from three state taxes: the state sales tax, personal income tax, and corporation franchise tax. One-twelfth of the combined total is distributed to municipal corporations which levy income taxes. The other eleven-twelfths of the fund is distributed to counties according to a 2-part formula based upon population and municipal property tax duplicates.

More specifically, each income tax-levying city or village receives a percentage from the one-twelfth portion of the fund based upon its proportionate share of all municipal income taxes collected in the state during the second calendar year preceding the year of the fund's distribution. Each county in effect receives two shares from the eleven-twelfths portion of the fund, 25% of which is distributed according to the county's population as a percentage of the entire state's population in the last federal census, and 75% of which is distributed according to the county's municipal property tax duplicate (real, public utility, and tangible personal property) as a percentage of total values on all municipal property tax duplicates in the state for the second year preceding the year of the distribution.

Allocations to both municipal corporations and counties are made on or before the tenth of each month, at the same time that the statutes require the crediting to the state local government fund of revenues from the three component taxes (in amounts for each tax equal to 3.5% of the previous month's collection). Only the portion distributed to the counties according to the two-factor formula is subject to possible further adjustments -- to meet statutory stipulations that each county shall receive a minimum allocation per month of $10,000 and a minimum allocation per year of $150,000. In practice, minimum allocations of $12,500 are made each month and, pursuant to the statutes, allocations may be withheld at the beginning of a year up to the amount of any excess distributed to a county in the previous year.

All amounts received by a municipal corporation from the one-twelfth portion of the state local government fund are paid into the municipality's general fund to be used for any lawful purpose. However, the amount which a county receives from the eleven-twelfths portion is expressly designated for deposit in the county's "undivided local government fund," where it is combined with revenue from one other source.

COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS (ULGF's)

Pursuant to statutes in force through calendar year 1981 each of Ohio's 88 county undivided local government funds receives revenue from two sources: (1) the eleven-twelfths portion of the state LGF explained above, and (2) portions of the state-collected intangible property taxes paid by financial institutions and dealers in intangibles.

The intangible tax revenue earmarked for this return includes all revenue from the two-mill tax on deposits paid directly by financial institutions, two-thirds of the revenue from the three-mill tax levied on shares and capital of financial institutions, and five-sixths of the revenue from the six-mill tax on shares and capital employed by dealers in intangibles. The deposits tax is returned to the county in which the deposits are located (whether a principal or branch office), the financial institutions tax on shares and capital to the county in which the institution's principal office is located, and the tax on dealers to the counties in which their capital is employed. The remainder of the revenue from these state-collected intangible taxes goes into the state general revenue fund.

Within each county, moneys from these two state revenue sources, the designated state situs intangible taxes and eleven-twelfths of the state local government fund, are by statute required to be deposited in a single county undivided local government fund. From this fund they are then disbursed to local governments to be used for current operating expenses -- to the county government itself, to municipalities, townships, and special districts. These fund distributions are made according to percentage determinations previously arrived at by each county budget commission -- on the basis of revenue estimates supplied by the Department of Tax Equalization, and, in most counties, in light of the budget commission's review of each subdivision's proposed expenditure requests and of its other available resources, and according to specific statutory guidelines which are intended to yield a distribution which reflects the "needs" of the various recipient governmental units. In some counties, distribution may be according to an alternative apportionment plan or formula which has been approved by subdivisions within the county, as required by statute.

REVENUES DISTRIBUTED TO LOCAL GOVERNMENTS IN 1981

The Auditor of State distributed more than $254 million to local governments during 1981 from the state local government fund and from portions of the intangible taxes. Of this total, $109 million was from the state local government fund (3.5% of the personal income, sales, and corporation franchise taxes), and $145.3 million was from the intangible taxes. Although distributions from both sources were greater than those of 1980, their combined percentage increase from the preceding year fell from 7 percent to 5 percent. The increase for the state local government fund increased by more than three percentage points but that for the intangible tax declined by more than six points, as shown in Table 73.

Table 74 illustrates the county-by-county distribution of the $109 million state local government fund, with one-twelfth ($9.1 million) distributed directly to cities and villages levying municipal income taxes, and eleven-twelfths ($99.9 million) distributed to counties for further distribution from their county undivided local government funds. These 88 county undivided local government funds also received the $145.3 million in distributions from portions of the intangibles tax as shown in Table 70. The last table, Table 71, indicates how each county budget commission distributed the undivided local government fund in its county among the several classes of governmental units. These figures may differ somewhat from the amount actually received into the fund during the calendar year due to the timing of distributions from the fund. Distributions in litigation within one county were not reported.

RECENT LEGISLATION: H.B. 694 AND S.B. 530

Two pieces of legislation enacted by the 114th General Assembly contain provisions relating to the state and county local government funds. One of these, Am. Sub. S.B. 530, effective June 25, 1982, enacted a temporary increase in the personal income tax rate but provided for maintenance of the amount of the income tax component of the state LGF at the same level of funding previously prevailing - - i.e., at a percentage equivalent to the 3.5% allocation from the previous tax rate. The other, H.B. 694, effective Nov. 15, 1981, increased the monthly and annual minimum allocations for each county from the state LGF from $10,000 to $18,750 and from $150,000 to $225,000 respectively. It also increased both sales and corporation franchise tax rates, extended the sales tax to some additional transactions, and increased the minimum franchise tax. In addition, it reduced and ultimately eliminated the deposits and shares taxes paid by financial institutions over a transitional period so that

by 1984 the only intangible tax remaining as a component of the county undivided local government funds will be the tax on dealers in intangibles. In general, financial institutions no longer subject to the intangible tax were made subject to the corporation franchise tax.

House Bill 694 provided, however, that until July 1983 that portion of the state local government fund derived from the sales tax shall not exceed the level of funding that would have been supplied by 3.5% of the taxes attributable to the former state tax rate, and disposition of the franchise tax component of the state fund was altered to compensate for the loss of intangible tax revenues. Thus, instead of the 3.5% allocation previously effective, this legislation established a transitional schedule under which considerably larger amounts of franchise tax revenues would be distributed to the counties under a 2-part formula, as follows:

	Percent of Corporate Franchise Tax Allocated to the State LGF	Distribution of Corporate Franchise Tax Portion of State LGF	
		To Counties for Undivided LGF's[1]	11/12 to Counties for ULGF's, 1/12 to Municipalities[2]
1982	11.25%	68.8%	31.1%
1983	10.85	67.7	32.3
1984 and thereafter	27.00	87.0	13.0

[1]In proportion to each county's percentage share of revenues received for their undivided local government funds during 1981 from the taxes on deposits and shares pursuant to R.C. 5707.03 and 5725.24.

[2]Fraction for undivided local government funds pursuant to R.C. 5747.50, 75% according to municipal property values, 25% according to population; fraction for municipal corporations based upon their percentage of total municipal income tax collections. This percentage applied to the percentage of all franchise tax revenue allocated to the state local government fund equals 3.5% of total franchise tax revenue (e.g., 31.1% x 11.25% = 3.5%).

Table 73

TOTAL STATE-COLLECTED REVENUES DISTRIBUTED FOR GENERAL LOCAL GOVERNMENTAL PURPOSES, CALENDAR YEARS 1977-1981

	Total State Local Government Fund		Earmarked Intangible Taxes		State LGF and Intangible Taxes Combined	
	Amount	Percent Increase	Amount	Percent Increase	Amount	Percent Increase
1977	$ 80,085,612	+ 19.13	$108,535,293	+ 11.21	$188,620,905	+ 14.44
1978	91,738,564	+ 14.55	119,041,028	+ 9.68	210,779,592	+ 11.75
1979	101,054,318	+ 10.15	125,128,300	+ 5.11	226,182,618	+ 7.31
1980	103,277,756	+ 2.20	138,796,618	+ 10.92	242,074,374	+ 7.03
1981	109,032,313	+ 5.57	145,261,965	+ 4.66	254,294,278	+ 5.05

Source: Ohio Auditor of State.

Table 74

COMBINED SALES, PERSONAL INCOME, AND CORPORATION FRANCHISE TAXES DISTRIBUTED FROM THE STATE LOCAL GOVERNMENT FUND, CALENDAR YEAR 1981, BY COUNTY[a]

County	To Counties for Redistribution[b]	To Municipalities Levying Income Taxes[c]	Total State Local Government Fund
Adams	$ 150,000	$ 124	$ 150,124
Allen	685,014	53,654	738,668
Ashland	366,834	21,409	388,243
Ashtabula	712,836	45,827	758,663
Athens	283,649	15,051	298,701
Auglaize	344,394	20,517	364,911
Belmont	517,370	9,138	526,508
Brown	150,866	470	151,336
Butler	2,530,452	221,456	2,751,908
Carroll	150,000	- -	150,000
Champaign	208,575	12,217	220,792
Clark	914,195	122,332	1,036,526
Clermont	492,839	8,115	500,954
Clinton	235,997	5,748	241,745
Columbiana	626,888	42,225	669,113
Coshocton	263,897	9,555	273,452
Crawford	440,256	25,712	465,968
Cuyahoga	21,289,472	2,003,398	23,292,870
Darke	350,038	16,111	366,149
Defiance	288,549	20,803	309,352
Delaware	375,455	14,651	390,106
Erie	685,541	46,286	731,827
Fairfield	630,605	36,421	667,026
Fayette	184,811	4,804	189,615
Franklin	9,644,685	1,041,006	10,685,691
Fulton	272,669	22,517	295,186
Gallia	150,000	7,205	157,205
Geauga	307,705	13,400	321,105
Greene	1,000,070	38,177	1,038,247
Guernsey	259,786	14,914	274,700
Hamilton	8,831,159	1,326,466	10,157,626
Hancock	573,489	38,247	611,736
Hardin	186,393	10,694	197,087
Harrison	150,000	3,862	153,862
Henry	188,429	7,819	196,248
Highland	181,393	7,342	188,735
Hocking	150,000	7,028	157,028
Holmes	150,000	1,110	151,110
Huron	449,881	27,120	477,001
Jackson	177,724	2,669	180,394
Jefferson	947,004	41,460	988,463
Knox	284,198	15,772	299,969
Lake	2,743,195	138,944	2,882,140
Lawrence	322,932	13,460	336,392
Licking	850,242	64,800	915,042
Logan	$ 261,449	$ 11,950	$ 273,399
Lorain	3,223,632	223,140	3,446,773
Lucas	5,545,732	622,895	6,168,627
Madison	193,096	7,246	200,342
Mahoning	1,868,126	209,786	2,077,913
Marion	533,714	36,793	570,507
Medina	859,367	31,937	891,304
Meigs	150,000	- -	150,000
Mercer	268,686	11,119	279,805
Miami	715,045	42,701	757,745
Monroe	150,000	2,065	152,065
Montgomery	5,127,553	710,677	5,838,230
Morgan	150,000	936	150,936
Morrow	150,000	3,992	153,992
Muskingum	459,254	30,602	489,856
Noble	150,000	- -	150,000
Ottawa	224,315	10,920	235,235
Paulding	150,000	- -	150,000
Perry	150,000	3,815	153,815
Pickaway	230,367	10,282	240,649
Pike	150,000	- -	150,000
Portage	989,000	53,142	1,042,142
Preble	199,136	4,598	203,733
Putnam	206,847	11,018	217,865
Richland	1,172,103	87,952	1,260,055
Ross	443,451	27,413	470,864
Sandusky	484,247	27,415	511,662
Scioto	398,652	24,915	423,567
Seneca	511,924	49,651	561,574
Shelby	378,808	27,497	406,305
Stark	2,783,521	271,693	3,055,215
Summit	5,060,009	541,983	5,601,992
Trumbull	1,740,600	120,541	1,861,140
Tuscarawas	633,112	44,167	677,279
Union	152,441	6,754	159,194
Van Wert	243,167	14,816	257,983
Vinton	150,000	- -	150,000
Warren	628,096	24,818	652,914
Washington	340,165	23,157	363,322
Wayne	731,673	51,113	782,786
Williams	309,246	23,482	332,728
Wood	818,729	69,967	888,696
Wyandot	161,538	9,041	170,579
Total	$99,946,287	$9,086,026	$109,032,313

(a) The state local government fund consists of monthly allocations from the general revenue fund equal to 3.5% of the previous month's collections of the state sales tax, personal income tax, and corporation franchise tax.
(b) State total equals 11/12 of the state local government fund.
(c) State total equals 1/12 of the state local government fund.

SOURCE: Records of the Ohio Auditor of State.

Table 75

INTANGIBLE TAXES RETURNED TO COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS, CALENDAR YEAR 1981, BY COUNTY(a)

County	Amount	County	Amount
Adams	$ 174,796	Licking	1,250,114
Allen	1,960,957	Logan	503,077
Ashland	557,755	Lorain	2,884,570
Ashtabula	1,142,041	Lucas	6,825,615
Athens	433,620	Madison	294,472
Auglaize	607,937	Mahoning	3,924,574
Belmont	1,104,078	Marion	858,831
Brown	303,934	Medina	1,011,794
Butler	2,606,967	Meigs	163,828
Carroll	168,378	Mercer	623,677
Champaign	403,510	Miami	1,170,665
Clark	1,595,825	Monroe	81,777
Clermont	739,685	Montgomery	7,785,385
Clinton	384,347	Morgan	113,906
Columbiana	1,241,320	Morrow	146,936
Coshocton	396,725	Muskingum	993,785
Crawford	722,650	Noble	113,278
Cuyahoga	29,515,073	Ottawa	487,068
Darke	709,385	Paulding	176,642
Defiance	669,846	Perry	193,311
Delaware	423,114	Pickaway	380,879
Erie	914,372	Pike	165,851
Fairfield	871,050	Portage	1,033,410
Fayette	300,608	Preble	339,594
Franklin	12,274,417	Putnam	468,827
Fulton	595,936	Richland	1,703,088
Gallia	285,056	Ross	641,737
Geauga	591,986	Sandusky	814,955
Greene	1,127,982	Scioto	801,214
Guernsey	542,622	Seneca	1,021,265
Hamilton	14,437,900	Shelby	544,335
Hancock	884,326	Stark	5,507,546
Hardin	380,283	Summit	6,751,349
Harrison	157,345	Trumbull	2,797,784
Henry	378,366	Tuscarawas	1,114,066
Highland	423,600	Union	330,314
Hocking	231,408	Van Wert	369,470
Holmes	255,567	Vinton	77,559
Huron	752,839	Warren	610,246
Jackson	292,463	Washington	746,133
Jefferson	1,195,052	Wayne	1,290,922
Knox	540,159	Williams	540,439
Lake	2,372,346	Wood	1,115,408
Lawrence	469,599	Wyandot	355,044
		Total	$145,261,965

(a) State-collected intangible taxes paid by financial institutions and dealers in intangibles and returned to counties of origin.

SOURCE: Records of the Ohio Auditor of State.

Table 76

DISTRIBUTION OF COUNTY UNDIVIDED LOCAL GOVERNMENT FUNDS,
BY COUNTY, CALENDAR YEAR 1981[a]

County	Amount Distributed By Subdivision Class			
	County	Townships	Municipalities	Total
Adams	$ 162,398	$ 99,872	$ 62,526	$ 324,796
Allen	949,456	148,990	1,412,431	2,645,971(b)
Ashland	460,874	161,651	297,509	920,034
Ashtabula	524,207	214,554(c)	1,116,116	1,854,877
Athens	358,635	71,226	284,009	713,870
Auglaize	301,318	110,470	540,543	952,331
Belmont	807,843	163,287	646,616	1,617,746
Brown	272,775	68,194	113,656	454,624
Butler	2,568,709	220,882	2,347,827(c)	5,137,419
Carroll	190,957	47,281	79,724	318,262
Champaign	305,785	61,288	245,011	612,085
Clark	1,020,320	115,158	1,169,390	2,308,882(b)
Clermont	615,722	123,144	492,578	1,231,444
Clinton	282,257	62,034	276,053	620,344
Columbiana	934,104	186,821	747,283	1,868,208
Coshocton	320,658	114,007	206,651	641,316
Crawford	581,453	116,291	465,163	1,162,907
Cuyahoga	15,958,795	102,061	34,815,067	50,875,923
Darke	254,191	162,047	642,892	1,059,130
Defiance	392,942	263,559	301,894	958,394
Delaware	357,103	108,324	337,033	802,460
Erie	827,977	232,907	495,867	1,556,751
Fairfield	492,739	181,488	827,428	1,501,655
Fayette	178,440	48,542	258,437	485,419
Franklin	8,022,946	1,134,121	12,762,035	21,919,102
Fulton	332,686	179,024	344,414	856,123
Gallia	108,764	65,258	261,033	435,056
Geauga	341,883	443,711	114,098	899,692
Greene	795,915	177,937	1,154,200(c)	2,128,052
Guernsey	401,204	85,350	315,854	802,408
Hamilton	12,235,459	989,833	9,788,027	23,269,060(b)
Hancock	600,210	211,759	621,247	1,457,815(b)
Hardin	286,292	114,518	171,775	572,585
Harrison	153,673	76,836	76,836	307,345
Henry	248,680	82,856	195,623	527,158
Highland	303,401	103,156	200,245	606,802
Hocking	209,774	98,940	72,694	381,408
Holmes	243,286	113,597	48,684	405,567
Huron	366,427	145,968	690,325	1,202,720
Jackson	212,901	67,049	190,238	470,188
Jefferson	485,950	213,967	1,442,140	2,142,056
Knox	412,179	107,166	305,012	824,357
Lake	474,297	343,816	4,297,429(c)	5,115,541
Lawrence	475,257	79,253	237,629	792,139
Licking	1,050,178	230,409	819,769	2,100,356
Logan	$ 382,263	$ 120,483	$ 261,781	$ 764,526
Lorain	1,680,808	301,425	3,607,013	6,077,692(b)
Lucas	4,158,405	348,709	7,238,900	12,371,346(b)
Madison	243,784	73,135	170,649	487,568
Mahoning	2,897,490	834,130	2,063,361	5,794,980
Marion	591,832	139,255	661,459(c)	1,392,545
Medina	567,927	255,998	882,607	1,706,532
Meigs	126,029	94,522	94,522	315,073
Mercer	383,716	161,041	347,606	892,362
Miami	659,312	188,375	1,036,062	1,883,748
Monroe	132,570	55,130	42,440	230,140
Montgomery	N.A.	N.A.	N.A.	N.A.
Morgan	131,953	61,965	69,988	263,906
Morrow	178,162	67,998	50,776	296,936
Muskingum	584,351	139,815	612,025	1,336,191
Noble	157,967	55,288	50,023	263,278
Ottawa	235,954	155,510	319,920	711,384
Paulding	163,321	58,796	104,525	326,642
Perry	171,656	78,178	93,477	343,311
Pickaway	305,568	73,336	232,232	611,137
Pike	173,718	61,000	81,133	315,851
Portage	881,973	416,819	723,618	2,022,410
Preble	269,365	53,873	215,492	538,729
Putman	202,575	155,308	317,368	675,251
Richland	1,342,772	177,629	1,354,790	2,875,192
Ross	441,151	214,589	429,892	1,085,632
Sandusky	649,601	129,915	519,686	1,299,202
Scioto	537,964	119,987	541,916	1,199,866
Seneca	643,939	229,978	659,271	1,533,189
Shelby	461,571	92,314	369,258	923,143
Stark	4,145,751	457,540	3,671,302	8,291,502(b)
Summit	3,543,407	1,009,139	6,959,592	11,811,358(d)
Trumbull	2,248,554	526,074	1,764,091	4,538,718
Tuscarawas	845,655	209,661	691,862	1,747,177
Union	241,377	138,840	102,537	482,755
Van Wert	300,683	106,967	199,414	612,638(b)
Vinton	113,779	47,787	65,992	227,559
Warren	559,362	123,872	495,490	1,238,724(b)
Washington	488,508	255,616	342,174	1,086,298
Wayne	925,570	241,534	855,491	2,022,595
Williams	379,463	94,706	373,085	847,254
Wood	605,454	193,414	1,135,269	1,934,137
Wyandot	259,568	129,784	129,784	519,135
Total	$90,895,848	$16,698,337	$122,228,884	$231,737,990(e)

(a) The county undivided local government fund consists of eleven-twelfths of the state local government fund and portions of the state-collected intangible property taxes paid b financial institutions and dealers in intangibles.
(b) Includes park district allocations not reported in preceding column.
(c) Includes park district allocation(s).
(d) Includes allocation for public assistance not reported in a preceding column.
(e) Includes amounts not contained in preceding subdivision columns totalling $1,140,710 for park districts in nine counties and $774,220 for public assistance in two counties.
N.A. -- Not available

Note: Apparent discrepancies between county totals shown above and totals shown in previous tables result from normal time lags in the distribution of funds.

SOURCE: Surveys filed by county auditors with the Ohio Department of Tax Equalization.

REAL PROPERTY TAX

Accompanying tables include data for public utility property taxes.
See the separate section PUBLIC UTILITY PROPERTY TAX for explanatory material on that tax.

In tax year 1981, the assessed valuation of taxable real estate and public utility property exceeded $73 billion, an increase of 12.7% over the 1980 valuation. Taxes on these values are distributed to the local taxing authorities during calendar year 1982. Net taxes charged after the application of the percentage reductions required by Section 319.301 (A) of the Ohio Revised Code equalled approximately $3 billion for tax year 1981, an increase of 8.8% over 1980. This figure is before deductions of the tax rollback of 10% on all real property, the homestead exemption, and the 2.5% rollback for homeowners only. All three of these property tax reductions are fully reimbursed to local governments from the state general revenue fund. The amount of relief estimated for 1981 was $256.7 million for the 10% reduction, $57.9 million for the homestead exemption, and $37.4 million for the 2.5% reduction.

Under state law and Department of Tax Equalization rules, real property in all counties is now reappraised every six years at 35% of market value, and updated in the third year following each sexennial reappraisal. Sales ratio studies are made by the Department of Tax Equalization twice a year in each county to compare the assessed taxable value to the sales price of properties sold. These ratios are used extensively in checking the reappraisal process.

TAX BASE (R.C. 5713.03, 5715.01, 5715.011):

Taxable value of land and improvements. Taxable value is a percentage of market value except for certain land devoted exclusively to agricultural use. Under the rules adopted under current law, all counties are now reappraised and equalized at 35% of true or market value as of the year of reappraisal or the third calendar year after reappraisal.

RATE (R.C. 319.301, 5705.02, 5705.03, 5705.04, 5705.05, 5705.19):

Vary with taxing jurisdiction. Total tax rate includes all levies, enacted by legislative authority or approved by voters, for all taxing jurisdictions within which the property is located (e.g., county, township, municipality, and school district). The statewide average "gross" millage rate on all real property for 1981 was 53.66 mills, as compared to last year's rate of 52.74 mills. The statewide average "effective" millage rate was 40.17 mills for 1981 as compared to last year's effective rate of 41.50 mills. The difference between the gross millage rate of 53.66 mills and the effective rate of 40.17 mills is explained by Section 319.301 (a) of the Revised Code which prevents increases in voted taxes when the valuation of existing real property is increased due to reappraisal or the triennial update. (See **"Credits"** section.)

The Ohio Constitution prohibits governmental units from levying property taxes which in the aggregate exceed 1% of true value unless they are approved by the voters. This is known in state law as the 10-mill limitation, and the millage within this limitation is commonly referred to as "inside" millage. Since the "inside" 10 mills are levied on "taxable value" which is 35% of true or market value, the effect is a statutory limit of 0.35%, a limit nearly three times as strict as the 1% constitutional limitation.

EXEMPTIONS (R.C. 5709.08, 5709.10, 5709.25, 5713.23, 5713.30, 5713.31, 5713.34, 6111.34):

The Constitution requires real property (land and improvements) to be taxed by uniform rule according to value. Authorized exemptions implemented by statute include:

1. General: Exemption of the real property of governmental or private institutional owners on the grounds of ownership and/or usage (e.g., schools, hospitals, churches, municipal corporations, etc.).

EXEMPTIONS (cont'd.)

2. Pollution Control: Certified air, water, and noise pollution control equipment.

3. Farm Land: Land devoted exclusively to commercial agricultural use may be valued according to current use instead of "highest and best" use. Such land must meet one of the following requirements for three years prior to the year in which application for current use treatment is made:

   a) 30 acres or more -- all must be devoted to agricultural use; or
   b) under 30 acres -- all must be devoted to agricultural use and produce an average yearly gross income of at least $2,500.

   In addition, when the land is converted from agricultural use, a charge is levied on such land in an amount equal to the amount of tax savings on the converted land during the four tax years immediately preceding the year in which the conversion occurs.

4. Forest Land: Forest land, devoted exclusively to forestry or timber growing under the rules of the Ohio Department of Natural Resources, Division of Forestry, may be taxed at 50% of the local rate.

5. County Fairgrounds: Real property owned by a county or by a county agricultural society and used as a county fairgrounds is exempt from real property taxation.

CREDITS (R.C. 319.301, 323.151-323.157):

1. Percentage Rollback: State law grants tax relief in the form of a 10% reduction in each taxpayer's real property tax bill. In addition, a 2.5% rollback of real property taxes is granted on a homestead for each homeowner. The state reimburses local governments for the cost of these tax credits.

2. Tax Reduction Factor: Separate percentage reductions are applied to taxes levied against the two classes of real property (residential/agricultural and non-residential/non-agricultural) being reappraised or updated. These reduction factors remain in effect until there is a new increase in value (excluding new construction). New reduction factors are calculated annually and applied. The computation of these percentage reduction factors is a rather complex process, but it involves two main steps:

   Step One — The Department of Tax Equalization certifies to each county auditor tax reduction factors to be applied to each tax levy for each of the two classes of property. The tax reduction factor is calculated to eliminate the effect of an increase in the valuation of existing real property in a taxing unit (school district, county, municipality, etc.) on voted taxes. If the tax reduction factor results in an "effective" tax rate for current expenses of a school district (including current expenses of a joint vocational school) of less than 20 mills on all real property in the district, the reduction factor must be adjusted to yield a minimum of 20 effective mills.

   Step Two — The county auditor then calculates a composite tax reduction factor to be applied to individual tax bills in a taxing district for each taxing district in the county. (A taxing district may be generally defined as a geographical area in which the total tax rate is uniform throughout.) To compute the composite tax reduction factor, the county auditor uses the tax reduction factors supplied by the Department of Tax Equalization for each taxing unit (school district, municipality, etc.) in which a taxing district is located and multiplies them by the relative weights of each tax levy effective in the taxing district.

   These factors are applied to real estate and public utility real property, but not to public utility personal property. The result of these calculations yields net taxes as shown in the tables in this section.

CREDITS (cont'd.)

3. Homestead Exemption: Homestead exemption property tax reductions are granted to qualified low-income homeowners who are either 65 years of age or older or are permanently and totally disabled. The reduction is equal to the gross millage rate multiplied by the reduction in taxable value shown in the following schedule:

Total Income of Owner and Spouse:	Reduce Taxable Value by the Lessor of:
$ 5,000 or less	$5,000 or 75% of taxable value
$ 5,000-$10,000	$3,000 or 60% of taxable value
$10,000-$15,000	$1,000 or 25% of taxable value
Over $15,000	- 0 -

All types of income are included except workers' compensation, disability benefits paid by the Veterans Administration or a branch of the armed forces, welfare payments, and life insurance proceeds paid by reason of death. For those persons receiving the homestead exemption for the first time for tax years 1976 and earlier, any increases in social security benefits effective after December 31, 1975, are excluded from the definition of total income. For those persons receiving the homestead exemption for tax years 1977 and thereafter, only the increases in social security benefits which occur on or after January 1 of the year for which the homestead exemption is first received are excluded from the definition of total income.

Table 84 shows the number of homestead exemptions granted, the average reduction in real taxable value, and the total reduction in real property taxes for each county for tax years 1980 and 1981. Totals for the state show for 1980 that the number of exemptions approved was 374,358, the average reduction in taxable value was $3,121, and the total reduction in property taxes was $57,180,813. For 1981 the number of exemptions approved was 352,867, the average reduction in taxable value was $3,171 and the total reduction in property taxes was $54,058,363.

Local governments are reimbursed in full for these tax reductions from the state general revenue fund.

Example of Homestead Exemption Computation

The example below illustrates the computation of homestead exemption property tax relief. For this example, we will assume a senior citizen homeowner with the following characteristics:

a) Total income of $6,500 (consisting of $2,000 in wages, $2,500 in social security income, and $2,000 in dividends).
b) A home with a market value of $25,000 and a taxable value of $8,750. Taxable value is 35% of market value -- $25,000 x 35% = $8,750.
c) A local property tax rate of 50 mills (gross rate).

Since this homeowner receives $6,500 of total income, he is in the $5,000-$10,000 income bracket and is entitled to a reduction in taxable value of $3,000 or 60%, whichever is less. Sixty percent of $8,750 is $5,250, so his reduction in taxable value is the flat $3,000. His tax savings are equal to the $3,000 reduction in taxable value multiplied by the 50-mill tax rate. This amounts to a tax savings of $150.

Like all other real property taxpayers, the senior citizen homeowner in our example is entitled to a tax reduction factor (see no. 2 above) which is applied against the property tax (assume a 15% reduction for this example). Also, the homeowner is granted a 12.5% tax reduction (12.5% property tax rollback) which is reimbursed to local governments from the state general revenue

HOMESTEAD EXEMPTION COMPUTATION (cont'd):

fund. When these are considered, the computation of net property tax due is shown below.

Property tax before any reductions:		
$8,750 taxable value x 50 mills =		$437.50
Subtract tax reduction factor ($437.50 x 15%)	-	65.63
Net taxes levied after tax reduction factor		$371.87
Subtract 12.5% rollback (.125 x of $371.87)	-	46.48
Net taxes before homestead		$325.39
Subtract homestead exemption tax relief	-	150.00
Net property tax due		**$175.39**

TAXPAYER:

All real property owners not specifically exempt.

PAYMENT DATES (R.C. 323.12, 323.17):

December 31: Full amount of tax (or one-half of it) is due.

June 20: Balance due.

Extensions are normally granted for 30 days by the county commissioners; further extensions not to exceed 15 days, may be granted by application of the county auditor or treasurer to the Commissioner of Tax Equalization.

DISPOSITION OF REVENUE (R.C. 319.54, 5719.05):

After local administrative deductions, revenue is distributed to the counties, municipalities, townships, and school districts according to the taxable values and total millage levied by each.

OHIO REVISED CODE CITATIONS:

Chapters 319, 323, 5701, 5705, 5709, 5713, 5715, 5719, 6111.

RECENT LEGISLATION:

Sub. H.B. 293, effective March 15, 1982.

R.C. 5709.10: Real property owned by a county or by a county agricultural society and used as a county fairgrounds is exempt from real property taxation.

RECENT SIGNIFICANT COURT DECISIONS:

State, ex. rel. Swetland v. Kinney, 69 OS (2d) 567, (1982).

Sub. H.B. 50, implementing legislation for Article XII, Section 2a of the Ohio Constitution, is not unconstitutional. Sub. H.B. 50 required that the real property tax reduction factors for 1981 be computed using tax years 1975, 1976, 1977, or 1978 as the base, depending upon which of those years was the year preceding the year in which the county finished its first sexennial reappraisal or triennial update after 1975.

RECENT SIGNIFICANT COURT DECISIONS (cont'd):

Shaw v. Bd. of Revision, 70 OS (2d) 255, (1982).

Constitutional and statutory provisions requiring taxation by uniform rule are not violated when residential real property is valued according to recent sales prices. This is true even when property recently sold is valued higher than property that has not been recently sold.

Table 77

ASSESSED VALUE OF TAXABLE REAL ESTATE AND PUBLIC UTILITY PROPERTY, TAXES CHARGED, AVERAGE TAX RATES, AND TAX RELIEF, CALENDAR YEARS 1977 - 1981

	1977	1978	1979	1980	1981
Value of Taxable Property	$49,073,676,816	$55,130,779,296	$61,654,625,010	$65,127,895,220	$72,681,155,212
Taxes Charged(a)	$ 2,178,167,979	$ 2,370,214,066	$ 2,557,650,628	$ 2,754,705,723	$ 2,998,544,599
Average Effective Tax Rate(b)	44.39 mills	42.99 mills	41.48 mills	42.30 mills	41.26 mills
10% Reduction In Real Property Taxes Only(c)	$ 186,467,960	$ 201,732,006	$ 219,258,656	$ 235,445,713	$ 256,700,000*
2.5% Reduction In Homeowner's Real Property Taxes(d)	- -	- -	$ 33,900,785	$ 35,097,335	$ 37,400,000*
Homestead Exemption Reduction	$ 46,078,179	$ 49,039,378	$ 57,726,732	$ 58,552,163	$ 57,900,000*
Net Taxes Collectible (After 12.5% Reduction & Homestead Exemption)	$ 1,945,641,840	$ 2,119,442,682	$ 2,246,764,455	$ 2,425,610,512	$ 2,646,544,599

*Estimated since data were not available for Crawford, Licking, and Morgan counties.

(a) Net taxes charged after application of percentage reductions required by R.C. 319.301 (A).
(b) Taxes charged divided by value of taxable property.
(c) Not applicable to tangible personal property of public utilities.
(d) Starting in tax year 1979, a 2.5% rollback of real property taxes is granted on a homestead for each homeowner.

Table 78

ASSESSED VALUE OF TAXABLE REAL ESTATE AND PUBLIC UTILITY PROPERTY INSIDE AND OUTSIDE MUNICIPALITIES,
CALENDAR YEARS 1977 - 1981

	1977	1978	1979	1980	1981
Real Estate					
Inside Municipalites	$27,169,331,221	$30,042,608,174	$34,419,033,475	$36,053,475,281	$40,180,425,145
Outside Municipalities	14,562,584,135	17,289,797,762	18,926,637,999	20,404,367,326	22,993,657,417
Total Real Estate	$41,731,915,356	$47,332,405,936	$53,345,671,474	$56,457,842,607	$63,174,082,562
Public Utility					
Inside Municipalities	$ 3,723,905,390	$ 3,832,626,490	$ 4,121,344,400	$4,265,223,693	$ 4,835,082,510
Outside Municipalities	3,617,856,070	3,965,746,870	4,187,603,850	4,404,828,920	4,671,990,140
Total Public Utility	$ 7,341,761,460	$ 7,798,373,360	$ 8,308,948,250	$ 8,670,052,613	$ 9,507,072,650
Total Real and Public Utility					
Inside Municipalities	$30,893,236,611	$33,875,234,664	$38,540,377,875	$40,318,698,974	$45,015,507,655
Outside Municipalities	18,180,440,205	21,255,544,632	23,114,241,849	24,809,196,246	27,665,647,557
Grand Total	$49,073,676,816	$55,130,779,296	$61,654,619,724	$65,127,895,220	$72,681,155,212

TOTAL REAL PROPERTY TAXES, VALUES, AND EFFECTIVE TAX RATES, BY COUNTY, CALENDAR YEAR 1981 (Including Public Utility Real Property)

Counties	Gross Taxes Levied	Taxes Charged(a)	Taxable Value	Special Assessments	Delinquent Taxes	Effective Tax Rate(b)
Adams	$ 3,658,997	$ 3,457,903	$ 127,542,000	$ 11,667	$ 318,194	27.11
Allen	22,107,328	18,133,787	588,353,350	876,409	1,392,455	30.82
Ashland	12,899,239	9,858,031	271,748,110	42,199	635,194	36.28
Ashtabula	30,176,531	22,070,988	594,432,040	311,138	1,623,227	37.13
Athens	10,627,914	8,067,280	196,297,730	514,136	507,918	41.10
Auglaize	10,770,232	8,383,862	282,534,390	331,024	289,222	29.67
Belmont	15,885,138	12,007,600	363,704,380	90,712	729,510	33.01
Brown	6,546,904	5,545,040	160,305,670	6,684	584,504	34.59
Butler	69,403,243	53,150,331	1,634,971,160	1,411,462	2,810,476	32.51
Carroll	6,625,798	4,451,135	147,256,130	44,519	454,033	30.23
Champaign	9,017,057	6,287,500	207,026,570	55,999	465,325	30.37
Clark	32,703,168	23,855,895	700,814,820	257,059	1,673,541	34.04
Clermont	40,491,374	28,836,136	755,058,297	171,851	2,000,513	38.19
Clinton	10,269,758	8,062,300	243,663,470	65,924	434,775	33.17
Columbiana	23,537,261	17,199,458	521,413,260	161,816	1,386,337	32.99
Coshocton	8,037,015	6,376,441	201,089,080	9,874	484,269	31.71
Crawford	14,698,420	9,865,473	304,407,890	61,954	455,814	32.41
Cuyahoga	660,779,252	484,470,947	9,152,827,610	13,028,736	35,136,287	52.93
Darke	13,937,252	11,189,090	361,776,400	282,907	425,444	30.93
Defiance	10,845,198	8,731,180	264,789,320	224,673	274,458	32.97
Delaware	19,599,731	15,462,625	477,045,010	89,240	681,297	32.41
Erie	27,060,790	18,170,446	497,998,010	1,136,660	1,049,348	36.49
Fairfield	29,804,356	18,813,796	555,594,080	152,424	672,985	33.86
Fayette	6,693,498	5,285,264	180,206,460	164,577	192,399	29.32
Franklin	297,277,942	233,509,770	5,770,336,010	1,424,419	11,091,053	40.46
Fulton	12,452,672	9,423,427	262,963,430	301,913	33,745	35.83
Gallia	5,131,734	4,335,655	166,082,490	364	328	26.10
Geauga	40,559,394	27,399,195	664,910,420	280,087	1,392,780	41.20
Greene	41,594,791	29,809,373	771,140,930	1,292,617	1,630,332	38.65
Guernsey	8,084,067	6,996,497	183,938,380	45,523	555,547	38.02
Hamilton	287,342,407	234,645,031	5,206,857,130	2,230,635	8,684,153	45.06
Hancock	21,900,608	16,434,172	531,755,170	325,646	577,830	30.90
Hardin	8,155,994	6,030,857	200,967,480	203,746	281,417	30.00
Harrison	4,091,810	2,880,863	98,335,190	7,154	165,199	29.29
Henry	8,401,107	7,439,425	192,886,180	394,710	176,107	38.56
Highland	6,675,127	5,481,713	167,243,120	41,928	370,917	32.77
Hocking	5,421,232	4,266,199	119,920,300	25,433	244,865	35.57
Holmes	7,133,533	5,397,936	163,092,320	25,988	329,293	33.09
Huron	14,544,856	9,997,300	294,403,430	187,573	414,864	33.95
Jackson	4,840,892	4,056,720	133,900,510	15,638	307,764	30.29
Jefferson	15,257,839	13,033,917	364,934,590	173,054	1,439,908	35.71
Knox	13,296,412	10,233,348	287,865,540	811,659	808,286	35.54
Lake	95,369,731	59,828,253	1,541,419,550	4,655,558	3,282,847	38.81
Lawrence	8,679,466	7,374,852	236,353,800	443,682	920,477	31.20
Licking	33,565,782	24,873,727	796,293,415	199,835	1,135,348	31.23
Logan	$ 11,088,986	$ 7,548,034	$ 238,084,090	$ 171,490	$ 456,295	31.
Lorain	85,755,597	59,167,317	1,545,848,750	1,802,701	4,410,399	38.
Lucas	149,897,415	111,634,027	2,532,511,670	19,523,508	9,675,210	44.
Madison	9,017,792	7,543,789	222,916,940	181,926	413,624	33.
Mahoning	79,855,944	60,670,971	1,552,953,200	461,300	10,783,011	39.
Marion	19,795,000	14,150,781	399,585,740	236,265	1,080,936	35.
Medina	49,253,373	31,892,012	831,229,280	1,407,188	1,805,331	38.
Meigs	3,241,959	3,016,011	91,360,840	0	381,116	33.
Mercer	10,915,783	9,093,165	277,227,640	233,212	164,445	32.
Miami	27,147,204	19,101,199	529,685,410	327,594	779,321	36.
Monroe	3,070,414	2,348,919	78,125,430	8,113	716,725	30.
Montgomery	187,681,858	143,494,663	3,247,165,960	5,410,256	9,770,406	44.
Morgan	2,386,920	1,898,525	67,052,830	600	96,686	28.
Morrow	7,223,246	5,692,381	167,379,340	11,843	532,987	34.
Muskingum	15,777,846	11,698,764	331,364,530	347,394	990,729	35.
Noble	2,250,634	2,063,279	60,754,200	7,742	105,865	33.
Ottawa	13,720,103	9,786,942	270,432,770	277,273	452,668	36.
Paulding	6,844,542	5,656,188	138,963,370	70,911	279,608	40.
Perry	6,190,999	4,845,472	132,538,210	23,595	392,262	36.
Pickaway	10,624,926	8,492,991	269,249,080	28,428	428,237	31.
Pike	4,942,823	3,353,897	97,221,560	0	363,589	34.
Portage	45,341,158	30,174,473	724,747,730	1,096,105	3,106,616	41.
Preble	11,133,821	9,013,662	261,558,950	454,232	728,786	34.
Putnam	9,066,851	7,661,952	218,606,640	87,730	193,370	35.
Richland	39,284,184	28,271,465	833,475,920	551,595	2,808,459	33.
Ross	15,047,133	10,915,233	313,744,920	14,518	610,956	34.
Sandusky	14,070,134	11,722,724	336,720,910	701,594	664,571	34.
Scioto	13,997,750	10,817,932	310,563,680	27,860	688,720	34.
Seneca	15,362,521	11,676,695	360,849,260	259,365	387,045	32.
Shelby	11,270,939	8,806,766	280,508,910	230,078	279,042	31.
Stark	106,768,402	72,156,833	2,195,876,860	1,222,132	4,853,687	32.
Summit	181,615,861	147,268,506	3,179,525,600	8,817,348	10,501,358	46.
Trumbull	70,727,355	51,594,542	1,523,554,080	423,913	5,517,726	33.
Tuscarawas	20,229,721	15,009,336	456,094,900	30,941	608,159	32.
Union	8,556,959	6,528,770	198,344,380	57,693	414,585	32.
Van Wert	9,330,645	7,710,220	205,189,580	83,141	311,500	37.
Vinton	1,544,496	1,438,505	45,069,990	0	109,667	31.
Warren	29,093,579	20,157,591	569,550,400	794,722	1,622,586	35.
Washington	14,125,802	11,440,268	347,974,220	39,739	639,498	32.
Wayne	29,181,336	21,513,375	618,224,450	305,896	801,928	34.
Williams	9,941,047	6,875,345	200,295,830	402,526	240,697	34.
Wood	38,381,846	28,268,406	796,724,230	2,292,412	1,084,178	35.
Wyandot	7,435,221	5,146,621	178,727,740	53,174	154,384	28.
Total	$3,444,142,175	$2,578,519,285	$64,184,032,642	$81,068,859	$169,297,553	40.

(a) Represents taxes charged after "tax reduction factors" are applied. The 10% rollback for all real property, 2.5% rollback for residential real property, and homestead exemption reduction have not been subtracted from this figure because they are fully reimbursed to the local governments and school districts from the State General Revenue Fund.

(b) Rate shown in mills equals taxes charged divided by taxable value.

Source: Abstracts filed by county auditors with the Department of Equalization.

Table 80

TAXES LEVIED ON REAL AND PUBLIC UTILITY PROPERTY AND PROPERTY TAX RELIEF, CALENDAR YEAR 1980[a], BY COUNTY (INCLUDING PUBLIC UTILITY REAL AND TANGIBLE PROPERTY)

County	Taxes Charged[b]	10% Reduction in Real Property Taxes Only[c]	2.5% Reduction in Real Property Taxes of Homeowners[d]	Homestead Exemption Reduction	Net Taxes Collectible
Adams	$ 7,495,775	$ 284,517	$ 19,609	$ 111,285	$ 7,070,364
Allen	20,918,759	1,801,031	247,973	425,796	18,443,959
Ashland	10,346,189	861,978	104,140	267,838	9,112,233
Ashtabula	23,773,322	1,906,913	297,529	723,926	20,844,954
Athens	9,957,812	689,670	79,201	285,626	8,903,315
Auglaize	8,109,386	731,170	78,206	205,807	7,094,203
Belmont	14,610,959	1,132,722	160,475	595,261	12,722,501
Brown	6,131,653	514,749	41,417	190,580	5,384,907
Butler	53,792,256	4,785,031	798,924	1,082,531	47,125,770
Carroll	5,588,686	426,271	52,041	169,763	4,940,611
Champaign	6,948,854	619,080	28,974	154,862	6,145,938
Clark	29,789,108	2,389,833	402,495	749,081	26,247,699
Clermont	31,900,439	2,457,093	359,679	497,179	28,586,488
Clinton	7,743,062	673,699	57,968	188,759	6,822,636
Columbiana	20,892,780	1,656,361	238,377	745,965	18,252,077
Coshocton	10,956,808	585,055	71,771	181,154	10,118,828
Crawford	10,578,020	927,250	32,316	324,224	9,294,230
Cuyahoga	535,958,099	47,427,889	8,231,033	11,812,788	468,486,389
Darke	11,340,501	1,027,542	107,577	273,360	9,932,022
Defiance	9,333,269	763,770	91,616	173,233	8,304,650
Delaware	13,419,928	1,174,166	146,351	144,909	11,954,502
Erie	20,274,090	1,698,672	263,962	493,829	17,817,627
Fairfield	20,887,109	1,806,833	265,780	581,166	18,233,330
Fayette	5,958,879	520,157	46,428	132,606	5,259,688
Franklin	211,021,353	18,934,020	2,739,053	2,636,037	186,712,243
Fulton	10,509,573	877,383	98,962	209,321	9,323,907
Gallia	10,587,218	331,259	31,206	104,976	10,119,777
Geauga	26,545,003	2,363,886	409,860	263,022	23,508,235
Greene	30,305,251	2,626,229	390,135	403,417	26,885,470
Guernsey	7,608,639	599,345	183,260	183,446	6,642,588
Hamilton	247,239,097	21,561,866	3,403,546	4,753,286	217,520,399
Hancock	18,981,733	1,682,102	175,617	285,259	16,838,755
Hardin	6,466,444	567,698	50,644	152,794	5,695,308
Harrison	3,224,244	216,839	22,684	96,152	2,888,569
Henry	8,187,128	725,271	64,731	150,661	7,246,465
Highland	5,868,207	512,191	41,007	207,500	5,107,509
Hocking	4,533,610	345,403	10,419	156,318	4,021,470
Holmes	7,047,863	529,613	31,886	86,403	6,399,961
Huron	11,322,043	963,865	106,153	287,890	9,964,135
Jackson	4,029,562	288,479	42,570	167,527	3,530,986
Jefferson	23,078,894	1,248,923	167,542	455,893	21,206,536
Knox	10,820,022	904,846	101,747	287,424	9,526,005
Lake	70,674,547	5,951,159	1,123,031	1,078,134	62,522,223
Lawrence	8,493,446	615,097	98,243	354,714	7,425,392
Licking	24,679,534	2,100,329	298,422	571,419	21,709,361
Logan	8,512,392	714,756	74,154	245,898	7,477,584
Lorain	69,572,938	5,737,913	970,373	1,613,773	61,250,879
Lucas	121,657,967	10,390,904	1,633,290	3,022,913	106,610,860
Madison	8,275,136	718,030	51,059	128,028	7,378,019
Mahoning	61,708,165	5,401,409	851,279	1,775,476	53,680,001
Marion	14,192,537	1,200,181	161,259	343,952	12,487,145
Medina	31,826,069	2,769,810	456,133	423,406	28,176,710
Meigs	3,738,695	292,901	28,493	142,127	3,275,174
Mercer	8,578,544	793,954	75,525	159,567	7,549,498
Miami	19,715,927	1,709,375	269,342	518,369	17,218,841
Monroe	3,295,069	228,196	26,612	91,717	2,948,544

Table 80 (cont'd)

County	Taxes Levied(b)	10% Reduction in Real Property Taxes Only(c)	2.5% Reduction in Real Property Taxes of Homeowners(d)	Homestead Exemption Reduction	Net Taxes Collectible
Montgomery	$ 152,675,273	$ 13,231,617	$ 1,907,443	$ 2,427,239	$ 135,108,974
Morgan	4,377,043	178,789	15,168	66,578	4,116,508
Morrow	5,461,884	470,976	46,705	133,832	4,810,371
Muskingum	14,007,698	1,099,998	152,624	495,122	12,259,954
Noble	1,920,055	134,337	11,324	56,352	1,718,042
Ottawa	14,278,536	842,915	99,899	263,171	13,072,551
Paulding	5,637,597	488,360	49,595	147,353	4,952,289
Perry	4,536,419	361,943	52,111	224,158	3,898,207
Pickaway	9,288,134	748,385	70,552	143,526	8,325,671
Pike	4,105,389	238,880	28,505	134,346	3,703,658
Portage	32,144,836	2,736,159	208,025	602,288	28,598,364
Preble	8,575,488	766,376	75,674	171,423	7,562,015
Putnam	7,863,318	706,486	75,226	144,249	6,937,357
Richland	30,377,060	2,600,959	349,404	717,131	26,709,566
Ross	12,021,878	1,014,469	97,266	363,107	10,547,036
Sandusky	12,875,868	1,094,639	152,756	311,147	11,317,326
Scioto	12,982,058	1,025,049	137,960	642,411	11,176,638
Seneca	12,266,051	1,062,828	139,238	260,169	10,803,819
Shelby	9,103,428	813,129	79,970	164,167	8,046,162
Stark	75,767,387	6,738,754	1,081,723	1,996,361	65,950,549
Summit	142,847,786	12,776,796	1,903,695	3,237,304	124,929,991
Trumbull	50,514,518	4,455,881	597,421	1,188,497	44,272,719
Tuscarawas	17,623,010	1,370,235	201,163	614,665	15,436,947
Union	7,244,329	605,977	57,993	136,365	6,443,994
Van Wert	7,952,796	701,263	69,231	187,989	6,994,313
Vinton	2,060,816	142,466	13,739	75,349	1,829,262
Warren	22,813,460	1,952,964	296,914	368,388	20,195,194
Washington	13,909,792	1,100,132	139,811	349,908	12,319,941
Wayne	20,777,400	1,821,001	234,541	361,205	18,360,653
Williams	8,179,339	670,377	86,347	237,630	7,184,985
Wood	25,551,001	2,195,732	208,669	351,176	22,795,424
Wyandot	5,973,493	533,157	44,560	111,207	5,284,569
Total	$2,754,705,723	$235,445,713	$35,097,331	$58,552,160	$2,425,610,519

(a) Taxes levied in calendar year 1980 and collected in calendar year 1981.
(b) Represents taxes charged after "tax reduction factors" are applied.
(c) Not applicable to tangible personal property of public utilities.
(d) Reduction is applied to residential and farm real property not exceeding one acre.

SOURCE: Department of Tax Equalization and Auditor of State.

TABLE 81

ASSESSED VALUATION OF EXEMPT REAL PROPERTY IN OHIO, BY SELECTED OWNERSHIP CLASSIFICATIONS, CALENDAR YEARS 1977 - 1981

(amounts given in millions of dollars)

	1977	1978	1979	1980	1981
Property under Public Ownership:					
Boards of Education	$1,761.2	$1,904.4	$2,006.3	$2,052.4	$2,279.7
Municipalities	1,042.9	1,167.2	1,319.7	1,356.9	1,523.4
United States	635.4	704.6	760.8	794.1	869.2
State	866.4	949.5	1,023.4	1,078.0	1,233.9
Counties	420.8	468.0	497.9	574.2	675.0
Park Districts	156.2	161.1	190.9	185.6	193.2
Townships	94.5	103.1	103.9	101.8	113.4
Total	$4,977.4	$5,457.9	$5,902.9	$6,143.0	$6,887.8
Property under Private Ownership:					
Churches	$1,028.9	$1,130.0	$1,189.8	$1,216.9	$1,353.4
Charities	679.3	785.0	843.6	864.5	934.3
Schools and Colleges	441.1	591.7	555.8	571.3	613.2
Cemeteries	79.0	85.5	92.7	96.4	111.0
Tax Abatements[a]	-	-	-	94.2	158.0
Total	$2,228.3	$2,592.2	$2,681.9	$2,843.3	$3,169.9
Grand Total -- Property under Public and Private Ownership	$7,205.7	$8,050.1	$8,584.8	$8,986.6[b]	$10,057.7

(a) Tax Year 1980 is the first year that data on tax abatements was compiled separately.

(b) Individual totals do not add up to Grand Total because $300,000 of exempt property in Wood County was not classified.

Source: Abstracts filed by county auditors with the Ohio Department of Tax Equalization.

Table 82

ASSESSED VALUE OF EXEMPT REAL PROPERTY COMPARED TO POTENTIAL TAX BASE,
BY COUNTY, CALENDAR YEAR 1981

County	Assessed Value of Taxable & Exempt Real & Public Utility Property (Potential Tax Base)	Assessed Value of Exempt Real Property	Percent of Potential Property Tax Base Exempt from Taxation
Adams	$ 310,521,190	$ 12,910,540	4.15%
Allen	759,854,200	80,173,680	10.55
Ashland	347,441,270	34,356,720	9.89
Ashtabula	771,432,060	70,978,360	9.20
Athens	384,294,900	123,328,430	32.09
Auglaize	331,433,260	24,675,170	7.44
Belmont	495,948,230	42,907,650	8.65
Brown	203,247,760	15,165,210	7.46
Butler	2,067,089,340	278,727,240	13.48
Carroll	186,655,650	8,220,820	4.40
Champaign	238,356,970	11,786,210	4.94
Clark	907,429,010	124,337,360	13.70
Clermont	980,979,884	74,576,567	7.60
Clinton	308,087,790	39,547,960	12.84
Columbiana	659,205,440	55,792,120	8.46
Coshocton	396,631,620	21,150,080	5.33
Crawford	370,555,775	35,121,565	8.85
Cuyahoga	11,657,860,880	1,628,252,760	13.97
Darke	421,526,490	31,452,440	7.46
Defiance	332,530,260	26,697,110	8.03
Delaware	619,768,520	88,300,900	14.25
Erie	594,419,160	35,994,920	6.06
Fairfield	671,485,310	52,433,190	7.81
Fayette	214,156,800	10,329,780	4.82
Franklin	7,514,297,960	1,225,858,910	16.31
Fulton	329,518,200	27,804,230	8.44
Gallia	403,300,240	41,639,890	10.32
Geauga	767,478,940	48,040,450	6.26
Greene	1,089,531,690	235,292,520	21.60
Guernsey	264,915,910	38,699,720	14.61
Hamilton	6,568,816,820	750,815,010	11.43
Hancock	639,385,480	54,237,160	8.48
Hardin	251,982,960	27,832,980	11.05
Harrison	135,520,480	10,039,890	7.41
Henry	233,054,290	17,827,110	7.65
Highland	203,060,240	14,618,640	7.20
Hocking	166,127,510	15,875,670	9.56
Holmes	195,514,340	10,435,350	5.34
Huron	387,473,440	56,566,[illegible]	14.60
Jackson	183,275,380	14,613,[illegible]	7.97
Jefferson	743,448,020	55,369,590	7.45
Knox	362,171,560	35,500,700	9.80
Lake	1,850,169,010	113,585,240	6.14
Lawrence	324,239,170	29,471,450	9.09
Licking	978,591,815	84,423,420	8.63
Logan	$ 289,415,750	$ 19,419,090	6.71%
Lorain	2,021,972,910	223,675,830	11.06
Lucas	3,271,911,380	424,345,830	12.97
Madison	279,403,280	26,500,610	9.48
Mahoning	1,911,912,210	201,356,160	10.53
Marion	483,940,030	38,242,680	7.90
Medina	973,006,730	68,914,890	7.08
Meigs	126,263,260	9,067,770	7.18
Mercer	320,272,060	25,201,200	7.87
Miami	646,198,530	64,375,030	9.96
Monroe	111,667,220	5,026,320	4.50
Montgomery	4,249,944,320	631,496,210	14.88
Morgan	156,903,870	7,437,260	4.74
Morrow	197,795,160	11,248,180	5.69
Muskingum	470,191,740	63,963,230	13.60
Noble	85,306,010	5,614,430	6.58
Ottawa	455,183,490	29,623,890	6.51
Paulding	167,138,360	9,378,950	5.61
Perry	171,025,200	14,204,150	8.31
Pickaway	364,949,400	46,751,350	12.81
Pike	256,793,930	128,928,960	50.21
Portage	1,012,794,080	203,602,100	20.10
Preble	301,957,220	17,747,880	5.88
Putnam	263,089,540	22,377,880	8.51
Richland	1,035,708,880	117,066,400	11.30
Ross	408,365,680	52,344,090	12.82
Sandusky	423,802,060	35,128,550	8.29
Scioto	459,114,820	77,502,550	16.88
Seneca	459,847,090	55,965,020	12.17
Shelby	338,329,010	26,087,720	7.71
Stark	2,702,169,040	278,137,190	10.29
Summit	4,015,993,400	568,902,030	14.17
Trumbull	1,855,595,710	184,926,440	9.97
Tuscarawas	571,973,980	49,627,470	8.68
Union	255,514,180	19,311,570	7.56
Van Wert	254,922,850	26,342,740	10.33
Vinton	70,866,980	5,479,640	7.73
Warren	700,336,570	61,611,700	8.80
Washington	491,650,720	72,055,970	14.66
Wayne	763,935,700	85,240,990	11.16
Williams	250,278,350	18,460,610	7.38
Wood	1,010,396,260	126,260,860	12.50
Wyandot	258,012,870	62,763,650	24.33
Total	$82,738,635,054	$10,057,479,842	12.16%

SOURCE: Abstracts filed by County Auditors with the Ohio Department of Tax Equalization.

Table 83

DELINQUENT REAL AND PERSONAL PROPERTY TAXES DUE AND PAYABLE DURING CALENDAR YEAR 1981, BY COUNTY*

County	Delinquent Property Taxes			
	Real And Public Utility	Tangible Personal	Intangible Personal	Total
Adams	$ 219,647	$ 131,489	$ 8,696	$ 359,832
Allen	1,093,244	496,075	27,356	1,616,675
Ashland	574,875	179,874	2,358	757,107
Ashtabula	1,517,980	804,881	25,537	2,348,398
Athens	507,445	167,159	463	675,067
Auglaize	268,505	137,152	4,416	410,073
Belmont	679,888	375,964	4,939	1,060,791
Brown	346,473	34,590	6,569	387,632
Butler	2,425,862	1,118,265	9,739	3,553,866
Carroll	284,598	171,264	1,626	457,488
Champaign	405,073	57,216	3,276	465,565
Clark	1,424,892	374,393	11,744	1,811,029
Clermont	1,589,675	256,934	5,993	1,852,602
Clinton	459,736	58,116	1,680	519,532
Columbiana	915,350	779,102	6,705	1,701,157
Coshocton	400,479	201,535	5,306	607,320
Crawford	389,165	184,126 (1)	3,161 (1)	576,452
Cuyahoga	31,323,756	17,660,401	438,641	49,422,798
Darke	336,438	177,790	11,190	525,418
Defiance	281,077	39,744	6,213	327,034
Delaware	486,860	219,719	41,170	747,749
Erie	1,038,264	744,784	14,727	1,797,775
Fairfield	454,501	1,266,447	14,217	1,735,165
Fayette	163,095	162,485	550	326,130
Franklin	9,417,802	7,229,885	387,659	17,035,346
Fulton	215,915	72,652	1,718	290,285
Gallia	156,805	243,202	906	400,913
Geauga	998,389	706,309	57,875	1,762,573
Greene	1,349,542	455,073	18,427	1,823,042
Guernsey	528,971	392,924	14,822	936,717
Hamilton	8,104,439	4,578,403	228,506	12,911,348
Hancock	487,604	459,647	47,865	995,116
Hardin	430,251	85,812	1,469	517,532
Harrison	134,850	50,754	623	186,227
Henry	135,188	266,178	5,328	406,694
Highland	261,416	152,048	1,297	414,761
Hocking	194,079	93,997	134	288,210
Holmes	246,573	363,873	6,827	617,273
Huron	322,599	156,322	5,639	484,560
Jackson	293,427	263,475	17,086	573,988
Jefferson	1,235,534	399,483	37,102	1,672,119
Knox	635,760	226,110	2,300	864,170
Lake	2,473,328	3,144,578	39,372	5,657,278
Lawrence	693,952	254,136	2,913	951,001
Licking	842,476	470,606	31,227	1,344,309
Logan	$ 391,577	$ 321,137	$ 1,919	$ 714,633
Lorain	3,311,402	2,520,968	70,956	5,903,326
Lucas	8,808,290	4,132,133	178,107	13,118,530
Madison	424,101	187,510	4,147	615,758
Mahoning	10,014,602	4,912,778	43,210	14,970,590
Marion	658,631	1,626,851	3,677	2,289,159
Medina	1,177,714	951,617	9,652	2,138,983
Meigs	280,867	76,964	3	357,834
Mercer	95,646	154,858	3,544	254,048
Miami	729,235	913,842	12,367 (1)	1,655,444
Monroe	600,542	2,525,107	2	3,125,651
Montgomery	8,432,009	4,070,105	39,361	12,541,475
Morgan	82,575	24,706	212	107,493
Morrow	449,092	134,476	2,934	586,502
Muskingum	838,880	756,607	10,087	1,605,574
Noble	89,048	93,728	69,287	252,063
Ottawa	205,595	273,408	4,128	483,131
Paulding	183,305	46,229	4,554	234,088
Perry	356,039	140,883	2,018	498,940
Pickaway	365,113	197,904	2,321	565,338
Pike	343,184	116,022	1,325	460,531
Portage	2,621,003	567,849	17,390	3,206,242
Preble	567,904	82,026	1,212	651,142
Putnam	136,593	161,208	10,139	307,940
Richland	2,214,589	2,409,553	47,169	4,671,311
Ross	461,210	354,019	12,133	827,362
Sandusky	562,734	122,783	3,770	689,287
Scioto	504,422	121,414	2,025	627,861
Seneca	332,190	339,707	18,672	690,569
Shelby	225,471	142,002	1,810	369,283
Stark	4,071,000	1,187,742	77,585	5,336,327
Summit	10,766,600	3,104,905	64,266	13,935,771
Trumbull	4,726,317	3,175,412	32,004	7,933,733
Tuscarawas	551,854	508,539	3,837	1,064,230
Union	333,250	67,528	4,500	405,278
Van Wert	270,143	27,444	133	297,720
Vinton	96,824	77,975	436	175,235
Warren	1,223,030	314,675	14,886	1,552,591
Washington	523,869	83,897	904	608,670
Wayne	622,181	696,944	11,655	1,330,780
Williams	195,324	60,308	2,636	258,268
Wood	928,211	574,887	24,823	1,527,921
Wyandot	120,776	250,358	6,316	377,450
Total	$146,638,720	$84,473,980	$2,387,479	$233,500,179

* As reported on 1980 abstracts of the duplicates of real and public utility property and the 1981 abstracts of the duplicates of tangible and intangible personal property.

(1) Due to the inability of the county auditor to provide current information the prior year has been used.

Source: Abstracts filed by county auditors with the Ohio Department of Tax Equalization.

Table 84

NUMBER OF HOMESTEAD EXEMPTIONS GRANTED, AVERAGE REDUCTION IN TAXABLE VALUE, AND TOTAL AMOUNT OF REDUCTION IN TAXES, BY COUNTY, TAX YEARS 1980 AND 1981

County	Number of Homestead Exemptions Granted		Average Reduction in Real Taxable Value		Total Reduction in Real Property Taxes	
	1980	1981	1980	1981	1980	1981
Adams	1,188	1,207	$2,982	$2,912	$ 55,237	$ 108,516
Allen	3,815	3,605	2,898	2,787	425,871	384,597
Ashland	1,843	1,786	3,174	3,200	268,054	270,790
Ashtabula	4,747	4,736	3,146	3,245	700,945	774,651
Athens	2,278	2,225	2,558	2,837	302,613	163,038
Auglaize	1,889	1,781	2,928	2,914	102,652	98,979
Belmont	4,291	4,177	3,269	3,225	595,421	585,335
Brown	1,514	1,506	3,209	2,606	186,069	188,843
Butler	7,986	7,578	3,352	3,230	1,148,831	985,032
Carroll	1,175	1,180	4,347	3,113	147,194	162,773
Champaign	1,211	1,220	2,976	2,922	153,485	150,880
Clark	5,156	5,091	3,166	3,058	746,656	698,598
Clermont	3,125	3,250	3,380	3,090	499,813	510,190
Clinton	1,375	1,278	3,111	3,532	189,041	195,756
Columbiana	5,334	5,403	3,189	3,100	734,688	744,668
Coshocton	1,632	1,502	2,951	2,762	182,160	173,368
Crawford	2,276	2,276	3,195	3,195	162,559	162,559
Cuyahoga	54,501	53,070	3,037	3,010	11,758,632	11,163,481
Darke	2,360	2,266	2,852	3,127	273,323	280,758
Defiance	1,405	1,388	2,971	3,151	85,303	91,501
Delaware	1,279	1,270	2,873	8,789	144,721	158,136
Erie	2,905	2,761	3,352	3,246	492,003	474,620
Fairfield	3,598	3,730	3,283	4,969	580,706	589,998
Fayette	1,068	1,070	3,121	3,031	136,239	134,610
Franklin	19,474	18,836	3,109	3,217	2,636,045	3,036,532
Fulton	1,413	1,370	3,091	2,978	212,258	197,664
Gallia	1,216	1,195	2,663	3,192	50,818	59,146
Geauga	1,505	1,470	3,011	2,988	261,540	259,168
Greene	2,704	2,692	2,854	3,001	201,796	212,049
Guernsey	2,483	2,393	2,936	2,907	295,536	310,745
Hamilton	25,497	24,957	3,364	3,268	4,750,640	4,478,591
Hancock	2,039	1,873	3,189	3,126	285,481	248,833
Hardin	1,270	1,278	2,845	2,916	152,615	150,065
Harrison	927	918	2,464	2,965	96,396	112,211
Henry	1,234	1,134	2,732	2,835	150,301	143,978
Highland	1,880	1,829	2,903	2,901	207,242	209,607
Hocking	1,315	1,270	3,076	2,913	159,230	167,599
Holmes	645	541	2,978	2,877	43,085	71,430
Huron	2,427	2,252	2,530	2,483	287,673	265,811
Jackson	1,816	1,877	2,552	3,115	166,214	213,264
Jefferson	4,245	4,089	2,606	2,576	454,340	443,322
Knox	2,109	2,001	3,034	3,063	285,896	279,049
Lake	5,077	5,282	3,348	3,033	1,075,929	976,625
Lawrence	3,347	3,436	3,136	3,068	357,687	381,605
Licking	4,297	4,169	3,084	3,323	572,898	572,898
Logan	1,977	1,961	$2,864	$2,746	$ 245,830	$ 239,088
Lorain	9,260	9,106	3,252	3,203	1,635,186	1,583,320
Lucas	17,568	17,476	3,078	2,997	3,075,527	2,999,705
Madison	996	940	3,051	3,102	63,849	62,305
Mahoning	12,034	11,712	2,986	3,133	1,784,571	1,848,271
Marion	2,506	2,485	3,187	2,975	340,917	355,567
Medina	2,445	2,362	3,146	3,023	423,436	401,047
Meigs	1,492	1,492	2,774	2,774	143,682	143,683
Mercer	1,345	1,284	3,013	3,292	159,738	169,505
Miami	3,502	3,403	3,137	3,022	516,265	515,910
Monroe	881	888	2,776	2,662	89,398	91,894
Montgomery	15,699	14,964	2,734	2,623	2,444,330	2,243,163
Morgan	721	664	2,524	2,477	32,468	59,396
Morrow	1,085	1,031	2,882	3,178	66,580	72,157
Muskingum	3,846	3,730	2,867	2,818	498,753	479,881
Noble	666	646	2,534	2,940	55,679	70,251
Ottawa	1,821	1,649	3,201	3,075	262,725	127,611
Paulding	762	726	4,142	2,707	195,251	103,057
Perry	1,895	1,821	2,592	2,934	223,773	265,706
Pickaway	1,247	1,199	2,952	3,144	71,626	73,862
Pike	1,243	1,317	2,509	3,092	169,660	198,630
Portage	3,387	3,211	3,163	3,078	618,136	600,219
Preble	1,414	1,426	2,924	3,166	85,643	97,937
Putnam	1,261	1,205	2,733	2,696	144,249	137,657
Richland	4,850	4,696	2,827	3,026	357,469	335,148
Ross	2,641	2,574	3,074	2,987	378,638	378,192
Sandusky	2,428	2,406	3,124	3,033	305,774	301,266
Scioto	4,813	5,027	3,130	3,065	663,338	701,486
Seneca	2,120	2,053	2,990	3,044	129,641	131,625
Shelby	1,345	1,260	2,954	3,101	164,248	154,803
Stark	14,193	1,176	3,168	3,013	2,072,519	169,042
Summit	18,614	18,130	3,141	3,166	3,180,808	3,218,986
Trumbull	8,540	8,387	5,214	6,563	1,187,789	1,211,399
Tuscarawas	4,630	4,603	3,282	3,081	620,226	609,678
Union	1,034	1,002	3,038	2,905	139,845	68,066
Van Wert	1,443	1,341	2,912	3,038	188,415	188,213
Vinton	768	798	2,699	2,691	73,852	75,085
Warren	2,315	2,270	3,125	3,061	365,443	350,949
Washington	2,778	2,704	3,104	3,003	345,357	327,988
Wayne	2,582	2,543	3,117	3,052	362,419	368,531
Williams	1,710	1,580	2,931	2,784	252,372	224,743
Wood	2,767	2,607	2,891	3,135	174,393	193,011
Wyandot	863	799	3,045	2,815	95,155	76,465
Total	374,358	352,867	$3,121	$3,171	$57,180,813*	$54,058,363*

*Figures may not add to total due to rounding.

SOURCE: Ohio Department of Tax Equalization.